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VOLUME NO. -- 5

ROYAL COMMISSION ON CRIME

Thurs., March 29, 1962.

Pp. 771 - 978 1

pp 895 - 978 (Ev. of R. J. Lindsey) missing

IN THE SUPREME COURT OF ONTARIO

BETWEEN:

KENNETH H. BROWN and JAMES T. GOW, Trustees, on behalf of themselves and all other Shareholders of Beleggings-Societeit, N.V., and the said BELEGGINGS-SOCIETEIT, N.V., as represented by the said Kenneth H. Brown and James T. Gow,

Plaintiffs,

- and -

BELEGGINGS-SOCIETEIT, N.V., as represented by W.H.J. de Boer and J.C.W.M. Huijsmans,

Defendants.

TRANSCRIPT OF ARGUMENT ON APPEAL

Date

Pages

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40(a)	878	Cheque dated 5th February, 1960, in the amount of $500, payable to cash, signed by Cyril Clark
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41	902	Letter dated 15th October, 1959, from W. C. Bowman to R. J. Cudney, together with attached memorandum and report.
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THURSDAY, MARCH 29, 1962

--- On resuming at 10.45 a.m.

MR. WILSON: I will call Chief McGill.

GARNETT McGILL, Recalled on former oath

THE COMMISSIONER: You are still under oath, Mr. McGill.

EXAMINED BY MR. WILSON:

Q. In connection with the letter you wrote to Mr. Cudney in October, 1959 -- I think the date of that letter was October 29th, was it, 1959 - 28th, it is Exhibit 24: Before you wrote that letter had you received some direction from Mr. Cudney's office as to how you should go about presenting the facts to enable the Deputy Provincial Secretary to consider the application for cancellation of the Veterans Club charter?

A. Yes, sir, I received a letter from Mr. Cudney on September 22nd, 1959.

Q. This is a letter dated September 22nd, 1959 from the Deputy Provincial Secretary's office addressed to you and signed by E. Rainey Hunter, solicitor:

"Re Centre Road Veterans Association

" Further to our recent

"telephone conversation, I have

"discussed the above named club
"with Mr. R. J. Cudney, the
"Deputy Minister of this Department.
" It would appear from what
"you have told me that it might
"be possible to cancel the charter
"of this Club, since it would seem
"that it has violated the clause
"in its charter which prohibits
"it from being equipped, guarded
"or otherwise constructed or
"operated so as to prevent lawful
"access to and inspection of such
"premises by police or fire officers.
" Would you please submit a
"letter setting out the manner in
"which this proviso is violated.
"If it is possible to obtain
"pictures this would be a distinct
"advantage in determining whether
"or not any action can be taken by
"this Department.
" Since the Anti-Gambling squad
"of the Ontario Provincial Police is
"also interested in this matter,
"perhaps it would be possible to
"have a report submitted by them
"as well."

And then it goes on to deal with another matter. I would like to file that as

Exhibit No. 38.

--- EXHIBIT NO. 38: Letter dated September 22nd, 1959, Deputy Provincial Secretary to Chief McGill.

Q. Do you recall the meeting in your office on July 5th, 1960 with Sergeant Anderson, at which there was present your Deputy Chief Kibble?

THE COMMISSIONER: What date?

MR. WILSON: That is July 5th, 1960.

Q. Do you recall that?

A. A meeting with whom?

Q. Sergeant Anderson -- I am sorry, Inspector Graham and Sergeant Anderson, at which your Deputy Chief Kibble was present?

A. I don't recall the date, but I believe there was such a meeting.

Q. And at that meeting do you recall advising Inspector Graham and Sergeant Anderson of the bribe attempts by Jack Laffrede?

A. Yes.

Q. And did you on that occasion say that you did not know Feeley and McDermott?

A. I did not, I did not know them.

Q. You did not know them?

A. No, sir. I do not know them and did not know them.

Q. And on that occasion do you recall saying that Bob Speck told you that

there were two or three in government connected with the Vets Club and one high in the Attorney General's Department?

A. If I said that I pointed out that it was rumoured.

Q. Were those kind of rumours going around the area?

A. Yes, sir.

Q. You say if you said it on that occasion, it was put to them as a rumour?

A. That is right.

Q. Coming back for the moment to the meeting you had with Inspector Graham at Kitchener on May 12th, 1961, which statement has been entered here as Exhibit 30, I just want to know whether at the time you gave that statement and at the time you signed it, whether you had had any drinks?

A. Yes, we had.

THE COMMISSIONER: Who is "we"?

A. We all of us that were present.

Q. Including Graham?

A. Yes, sir.

MR. WILSON: Q. And at the time this actual statement was given were just Graham and yourself there?

A. In the bedroom, yes, sir.

Q. How many drinks would you say you had had at the time this statement was prepared andsigned?

there were two or three in power-house

[illegible] the wire line and one high

on the Kennedy Brewery's [illegible]

Q. Did I ever [illegible] [illegible]

that it was [illegible].

Q. Have [illegible] that at present

[illegible] the [illegible]

A. Yes, sir.

Q. You say it was not in [illegible] 19 or

[illegible] condition, is you not to [illegible] as a [illegible]

A. That is right.

Q. Nothing [illegible] the [illegible] in

the meeting you had with Inspector [illegible]

on Electricity on May 17th, 1921, which

[illegible] has been entered here as Exhibit

10, I just want to know whether at the time

you gave that statement and at the time you

signed it, whether you had had any [illegible]

A. Yes, we had.

THE CONSTABLE: Who is "we"?

A. We all of us that were present.

Q. [illegible]

A. Yes, sir.

MR. MILLER: Q. Was at the time this

[illegible] statement was given that [illegible]

and personally [illegible]

A. In the [illegible], yes, sir.

Q. How many drinks would you say

you had had at the time this statement was

[illegible]

A. I would say at least three.

THE COMMISSIONER: Had you had any with Graham?

A. We were all sitting around in the room, your lordship.

Q. Just you and Graham in a room?

A. I am talking about the bedroom. The room we were sitting in where the drink was, was a type of sitting room, lounge room with chesterfields in it. That is where the meeting was held, and we adjourned into the bedroom and he took the statement.

MR. WILSON:

Q. Inspector Graham has given evidence to the effect that you came to his office on August 15th, 1960, and this is the entry as it appears in Exhibit 31 that he made in respect of that meeting:

"1:45 P.M. Chief McGill came to
"office and confidentially
"informed me that William Davis
"had told him that Mr. Frost had
"told Davis that ...."

there, I think, the Commissioner should have before him this Exhibit, or a copy of it. Whether it would be easier for him to follow, I don't know. Yesterday the name that follows was not read out.

Mr. Commissioner, do you have the transcript before you?

THE COMMISSIONER: Yes, I have.

MR. WILSON: This appears at 614.

THE COMMISSIONER: I haven't got the transcript of the evidence. I have the copy of what was in the diary.

MR. WILSON: I just want to know whether the same procedure should be followed now as was followed then, where the reference was that a former member of the Legislature ---

THE COMMISSIONER: Leave it that way for the moment.

MR. WILSON: I am paraphrasing this and I am not reading out the name: That a former member of the Legislature had been responsible for keeping open the Club. "McGill thinks someone blackmailed this former member".

(Page 777 follows)

THE COMMISSIONER: Well, we are not, surely, concerned with blackmail.

MR. WILSON: Well, No, but I wonder - -

THE COMMISSIONER: We have enough of that already.

MR. WILSON: I wonder if the witness should not be allowed to read the whole thing from the original entry.

THE COMMISSIONER: Give him the diary.

MR. WILSON: Or, maybe it would be easier for him to read a printed copy.

---Witness reads document.

THE COMMISSIONER: Now, have you read that?

A. Yes, sir.

MR. WILSON: Now, first of all, did you inform Inspector Graham on that occasion that William Davis had told him, or told you that Mr. Frost had told Davis that this former member of the Legislature had been responsible for keeping open the club?

A. No, sir, I didn't.

Q. And did you, on that occasion, say to Inspector Graham that Bill Davis had told you thatthe found-ins were not questioned further at Brampton through instructions of this former member of the Legislature from Queen's Park, Attorney General?

[illegible]

[illegible]

[illegible]

A. No, I didn't.

MR. WILSON: That is all, thank you.

EXAMINED BY MR. MacKINNON:

Q. Just so we will understand each other, Chief McGill, and so you will appreciate what Graham has sworn to under oath, I would like to read to you, and I would like you to listen carefully, what Inspector Graham told us yesterday with relation to this entry in his diary?

A. This one here?

Q. That one. And at page 661, line 12, I am questioning him.

THE COMMISSIONER: Page 614, isn't it?

MR. MacKINNON: 661, at line 12.

THE COMMISSIONER: Just a moment.

MR. MacKINNON: And you, sir, had given him some instructions, in this matter, and my question is:

"Did Chief McGill advise you on "August 15th what you have written "in your diary?"

"A. Yes, sir."

"Q. For that date?"

"A. He did."

"Q. And this is a correct account?"

"A. Yes, sir."

Now, do you state that Inspector Graham is not telling the truth under oath?

A. I flatly deny I said this statement wrote on this paper.

THE COMMISSIONER: What is that?

A. I flatly deny this statement that is said here.

THE COMMISSIONER: Let me see Exhibit 30.

A. 31

MR. WILSON: No, that would be - that would be Exhibit 31.

THE COMMISSIONER: I know. All right, go ahead.

MR. MacKINNON: So, you then assert this is a concoction on the part of Inspector Graham?

A. I deny that I said this.

Q. Well, is there something in there that you said? Is there anything you remember? Is there something in there that you do admit to saying?

A. Well, yes. There is a bit of this that I said. One or - these two items right in here.

THE COMMISSIONER: Well, what are they?

MR. MacKINNON: What are they?

A. May I point them out to you, sir?

Q. Yes, sir."

Now, do you really know [illegible]

[illegible] is not letting the [illegible] power

A. I firmly know I said this.

statement moves on this power.

THE COMMISSIONER: What is there

Q. I firmly know this statement

that is said here.

THE COMMISSIONER: Let us see

Exhibit 31.

Q. 31

Mr. WILSON: Mr. that could be a real

world be Exhibit 32.

THE COMMISSIONER: I know. All right

we know.

Mr. McKINNON: Sir, you then answer

this is a connection on the part of Interior

Company?

A. I deny that I said this.

Q. Well, is there something in there

that you said? Is there anything you remember?

Is there something in there that you do admit to

saying?

A. Well, Yes. There is a bit of

this that I said. One or - there two lines right

in here.

THE COMMISSIONER: Well, what are they?

Mr. McKINNON: Read the line?

A. May I point them out to you, sir?

THE COMMISSIONER: No, read them.

A. All right.

MR. WILSON: Now - now in fairness to the witness, he is probably confused by the fact that certain names have been ruled inadmissible up to this point and I think that may be the reason why he wants to point it out to you, Mr. Commissioner:

THE COMMISSIONER: Oh, let's - -

MR. WILSON; Well, is that the fact?

A. Yes, sir.

MR. WILSON: Well, then - - -

A. That is the fact.

MR. WILSON: Yes.

THE COMMISSIONER: Well, I suggest that you let him read what is in that statement. Let him read the names if he wants to. Nothing is going to be gained by trying to skate around something.

A. A member of - you refer to this portion in here.

MR. MacKINNON: I didn't refer to it.

A. About two-faced. This portion referred to in here, about two-faced, I said that, yes; but with relation to the rest - - -

MR. MacKINNON: I am sorry, I have lost you.

THE COMMISSIONER: So have I. Let me see. Point out to me what you did say?

THE COMMISSIONER: No, I can hear.

A. All right.

MR. MURPHY: Now - now in fairness to the witness, he is personally involved in the fact that certain needs have been rather inadequately up to this point and I think that may be the reason why he wants to point it out to you, Mr. Commissioner.

THE COMMISSIONER: Mr. Lyle - -

MR. MURPHY: Well, is that the fact?

A. Yes, sir.

MR. MURPHY: Well, then - - -

A. That is the fact.

MR. MURPHY: Then -

THE COMMISSIONER: Well, I suggest that you let him read what is in that statement. Let him read the reason if he wants to. Nothing is going to be gained by trying to stop witness speaking.

A. A number of - you refer to this position in here.

MR. MACKINNON: I didn't refer to it.

A. Well, Mr. Co-Chairman. The position referred to is here, Mr. Co-Chairman. I will read what, but with permission to the same - - -

MR. MACKINNON: I am sorry, I have lost you.

THE COMMISSIONER: Go here I. Let us see. Point out to us what you call part

A. This - (pointing) - no, this about - right here.

THE COMMISSIONER: Wait until we get the sentence.

MR. BREWIN: Well, I wonder, sir, I am interested - -

THE COMMISSIONER: Now, just a minute, Mr. Brewin, I am engaged in a discussion with the witness and I want to know what he is saying. Now, all right, that sentence.

A. No, just this one sentence.

THE COMMISSIONER: Oh, just that one sentence?

A. Yes, sir. Just that one sentence, that is all.

THE COMMISSIONER: What you are saying is that this man often came to your office?

A. He did not often come to my office. He came the odd time.

MR. MacKINNON: This member?

A. Yes, sir.

Q. And you said that he was - you did state to Inspector Graham that he was two-faced re - - -

THE COMMISSIONER: No, he said that he didn't say that.

A. I - I - I didn't phrase it as two-faced.

THE COMMISSIONER: Well, what did you say?

A. Mike - (pronounced) - no, Mike short - right here.

THE CONSTABLE: Will anyone wish to cross-examine?

MR. BURKE: Well, I wonder, sir, I am laboring a -

THE CONSTABLE: Well, just a minute, Mr. Lewis, I am engaged in a discussion with the witness and I want to know what he is saying. Now, all right, that answers.

A. No, just this one statement.

THE CONSTABLE: No, just read one statement!

A. Yes, sir. Just that one statement, that is all.

THE CROSS-EXAMINATION: Now you are saying to that this man driven come to your office?

A. He did not often come to my office. He came the odd time.

MR. McCALLUM: Pardon repeat?

A. Yes, sir.

Q. And you said that to me - you did state to Inspector Cooper that he was two-three times - -

THE CONSTABLE: No, he said that he didn't say that.

Q. I - I - I didn't quote it to the contrary.

THE CONSTABLE: Well, what did you say?

A. Well, I related an incident to him that occurred, and I suppose you could classify it as back-biting. I suppose you would relate it as two-faced, but I - I didn't - I didn't - I didn't know - -

THE COMMISSIONER: Well, did you say something that could be interpreted as meaning two-faced?

A. Yes. Yes, sir.

Q. And then, when Graham wrote that down, he was properly describing what you had said to him?

A. That is right.

THE COMMISSIONER: All right. Well, then, that whole sentence is correct, is it?

A. Yes, sir.

THE COMMISSIONER: Well, now, why did you tell me a moment ago that only part of it was correct?

A. This part of it is not correct, often comes to my office. I said that I saw him about - I would say three - three times a year, or four times a year.

THE COMMISSIONER: All right, then, we leave that out, and did you tell him something that he properly interpreted as meaning two-faced?

A. That is right. That is the way he interpreted it.

THE COMMISSIONER: And that part of it

A. Well, I relied on Lawrence to do that coaching, and I suppose you could classify it as boom-boxing. I suppose you could relate it as two-faced, but I - I didn't - I didn't mean - -

THE CONVENTIONEER: Well, did you say something you would be ashamed to mention in front?

A. Yes, sir.

A. And then, when Steven moved back to Ohio?

A. That is right.

THE CONVENTIONEER: Well, then, you said that's maybe terrorism in country, is it?

A. Yes, sir.

THE CONVENTIONEER: Well, then, do all you tell us a number who that only part of it was [illegible]?

A. That part of it is [illegible] often comes to my office. I said that I am [illegible] - I wrote my letter - [illegible] or four times a year.

THE CONVENTIONEER: Well right, then, we have that [illegible] that [illegible] - [illegible] - [illegible]

A. That is right. That is the way he interpreted it.

THE CONVENTIONEER: And that part of it

is true?

A. Yes, sir.

THE COMMISSIONER: That is that you told him that?

A. I told him an incident, and he deduced that he was two-faced.

THE COMMISSIONER: And his deduction was right, according to you?

A. Yes, it is.

THE COMMISSIONER: All right.

A. May I have this?

THE COMMISSIONER: Yes.

MR. MacKINNON: Now, is there anything else you would like to say may have been correct in this statement?

A. No, there isn't.

Q. You never discussed this member's relations?

A. I can't recall ever having discussed that with him.

Q. Could you have?

THE COMMISSIONER: Well, now, that is quite a different matter.

MR. MacKINNON: That certainly is.

A. I don't recall it. I don't recall discussing that.

Q. Do you deny discussing it? I submit once again Inspector Graham has sworn that he did discuss these things with you, and this

on Iowa?

A. Yes, sir.

THE COMMISSIONER: Just as that you held his hand?

A. I held his at intervals, and he deduced that he was mad-drunk.

THE COMMISSIONER: And his deductions was right, according to your

A. Yes, to me.

THE COMMISSIONER: All right.

Q. Now I have again

THE COMMISSIONER: Now,

Q. Now, I ask you if you would like to say you have been engaged in this enterprise?

Q. Why haven't I?

Q. Was never discovered this

MADAME VOLTAIRE:

A. I don't recall ever having a diamond such as this.

Q. Could you marry

THE COMMISSIONER: Well, now, that is valid a different matter.

Q. MADAME: That concerns me.

A. I don't recall it. I don't (know) remember that.

Q. Do you keep diamonds (?)

I believe some diamonds passing into your hand and so did observe these things with you, and this

is a correct report of his discussion.

THE COMMISSIONER: And he wrote it in his diary at that time.

A. Well, if I did discuss it with him, it was a rumour, I know that, but I can't recall ever discussing it with him.

MR. MacKINNON: All right.

THE COMMISSIONER: And he says that you didn't put it on the basis of it being a rumour?

A. Your lordship, he didn't put it on the basis of being a rumour what I stated about it originally either.

THE COMMISSIONER: I know.

A. He wrote down - he wrote down at that point what he felt - what he wanted to write down.

THE COMMISSIONER: But you signed it?

A. I know I did.

MR. MacKINNON: I will be coming back to that in a moment, Mr. - Chief McGill, but I am interested in this Monday, August the 15th memorandum?

A. Yes.

Q. Now, is there anything else? Did you describe this relation's position to him? Could that have been possible?

A. How do you mean?

Q. Well, you see how he has described it here?

A. I must have discussed this with

in a common figure of the discussion.

THE COMMISSIONER: How he wrote it in his diary at that time.

A. Well, if I did discuss it with him, it was a rumour, I know that, but I don't recall ever discussing it with him.

Mr. McKINNON: All right.

THE COMMISSIONER: And he says that you didn't put it on the basis of it being a rumour

A. That I recall, he didn't put it on the basis of being a rumour when I already had it originally written.

THE COMMISSIONER: I know.

A. He wrote down - he wrote down at that point what he felt - what he wanted to write down.

THE COMMISSIONER: Let you finish the

A. I know I did.

Mr. McKINNON: I will be coming back to that in a moment, Mr. - Chief McKill, but I am interested in this Monday, August the 19th memorandum.

A. Yes.

Q. Now, is there anything else you describe this relationship's position to have could they have been possible?

A. How do you mean?

Q. Well, you see how he has described it here?

A. I must have discussed this with

him. Told him that.

Q. All right. Now, we are getting a little more as we go along.

A. I don't doubt that I did.

Q. Well, that is very different from the way you opened, Chief?

A. Well, I - -

THE COMMISSIONER: Take your time, now, Mr. - -

A. Yes.

MR. MacKINNON: This is vital.

A. Right.

Q. I think you appreciate that.

THE COMMISSIONER: This is very important.

A. Right.

MR. MacKINNON: Did you discuss this next matter that I am pointing out to you re a certain matter?

A. I had heard that rumoured.

THE COMMISSIONER: And then you must have talked about it to him?

A. Yes, I did.

THE COMMISSIONER: Put that to him?

A. I must have.

MR. MacKINNON: All right.

THE COMMISSIONER: Well, Mr. McGill, what was the purpose, if you are here today and you are swearing that you were just repeating rumours to him, why repeat rumours that amounted to very

him. Told him so.

Q. All right. Now, on the arrival a little more on we go along.

A. I don't quite get it.

Q. Well, that is very disagreeable. Was you, you guessed, Smith?

A. Well, I - -

THE CONVENTION: Was you guessing.

MR. - -

A. Yes.

MR. MONTGOMERY: That is right.

A. Right.

Q. I think you understand that.

THE CONVENTION: That is very important.

Q. Right.

MR. MONTGOMERY: And you discuss this court matter that I am pointing out to you in a certain matter?

A. I had heard that mentioned.

THE CONVENTION: Did then you then have talked about it to him?

A. Yes, I did.

THE CONVENTION: Put that to him.

A. I must have.

Q. (MONTGOMERY, ATT'Y GEN.)

THE CONVENTION: Well, Mr. Smith, what was the purpose. If you are here today and you are telling that you have had previous conversation to him, was there a purpose to be?

serious allegations against certain men?

A. Your lordship, Inspector Graham phoned me and asked me to find out all I could, all information I could, rumours, everything else.

THE COMMISSIONER: Yes.

A. I was sincere in trying to help him with his investigation.

THE COMMISSIONER: I have no doubt about that, but I am just wondering whether you went too far?

A. I may have. I repeated rumours, everything I had heard.

THE COMMISSIONER: Well - -

A. For him.

THE COMMISSIONER: Well, he didn't put it in his diary on the basis that you were repeating rumours to him, but that you were giving him facts.

A. And again I repeat that he put it down in that statement of it originally that it was indicated that it was a rumour.

THE COMMISSIONER: And my answer to you is that you signed the statement?

A. That is quite right. I signed the statement, but it was still a rumour.

THE COMMISSIONER: Well, if it was only a rumour, why didn't you say so in the statement?

A. I pointed that out to Inspector

Graham at that time, that it was a rumour.

THE COMMISSIONER: Were you a little inebriated when you gave that statement?

A. No, sir, I wasn't.

MR. MacKINNON: I was just going to ask you that, because the Commissioner asked you yesterday if you were drunk when you gave that statement.

THE COMMISSIONER: No.

A. No, no.

MR. WILSON: No, the Commissioner didn't say that.

THE COMMISSIONER: That is not right.

MR. MacKINNON: You asked him if he had been - -

A. No, sir.

THE COMMISSIONER: I have no recollection whatsoever of asking anybody about drinking.

MR. MacKINNON: Well, I believe I can find it for you, if you will give me a moment.

THE COMMISSIONER: I would be glad if you would.

MR. MacKINNON: With respect, I have - I have to look through 60 pages.

THE COMMISSIONER: Well, have your assistant do it.

MR. WILSON: Turn it up.

MR. MacKINNON: Pardon?

[illegible] as that time, that it was a [illegible].

THE CHAIRMAN: Have you a [illegible] [illegible] [illegible]?

A. [illegible]

Mr. MACDONALD: I was just going to ask you that, because the Commissioner asked you [illegible] if you had [illegible] and gave that [illegible].

THE CHAIRMAN: No.

A. No, no.

Mr. WILSON: No, has Commissioner [illegible] that.

THE COMMISSIONER: That is not right.

Mr. MACDONALD: You mean you if he had been --

A. No, not.

THE CHAIRMAN: [illegible] [illegible] [illegible] movement of [illegible] [illegible] [illegible].

Mr. MACDONALD: Well, I believe I can find it for you, if you will give me a [illegible].

THE COMMISSIONER: I would be glad if you would.

Mr. MACDONALD: [illegible], I have [illegible] I have to look through to [illegible].

THE COMMISSIONER: Well, have your [illegible] on it.

Mr. WILSON: [illegible] it up.

Mr. MACDONALD: [illegible]

MR. WILSON: Turn it up.

MR. MacKINNON: I think there was reference to drinking at some stage. Well, could I come back to that, while I continue with this point?

THE COMMISSIONER: Yes. One of your assistants can look it up for you if you wish.

MR. MacKINNON: There is two volumes here.

THE COMMISSIONER: If it is there I have no recollection of it. Had you been drinking before you went to Inspector Graham's office on Monday, the 26th?

MR. MacKINNON: No, I am sorry, August 15th.

THE COMMISSIONER: August 15th.

A No, sir. I drink very rarely, your lordship.

MR. MacKINNON: And there was no drinking while you were in the office with him?

A. Where?

Q. At - in Inspector Graham's Office?

A. No, sir, absolutely not.

Q. And did you give him this information re party contributions?

A. No. No.

Q. Once again, you may have mentioned it as a rumour, is that your position?

reference to drawing at some stage. Well, could I come back to that, while I continue with this.

[illegible]

questions can look it up for you if you wish.

MR. [illegible] I move to the [illegible]

THE CONTROLLER: If it is being I been no reconciliation of it. Had you been [illegible] before you went to Inspector General's office in Quebec, did [illegible]

MR. [illegible] Yes, I do.

Answer [illegible]

THE [illegible] Answer [illegible]

A. No, sir. I drive very rarely.

[illegible]

MR. [illegible] And [illegible] driving while you were in the office with [illegible]

Q. [illegible]

Q. [illegible] Inspector [illegible]

[illegible]

A. No, sir, absolutely not.

Q. And did you give him this [illegible]

A. No. No.

Q. Does again, you may have mentioned it as a number, is that your position

A. That is right, possibly.

THE COMMISSIONER: Why, in the name of heaven, were you passing on a lot of idle rumours to anybody?

MR. MacKINNON: So, we get - -

THE COMMISSIONER: Just a moment. The fact that it would perhaps ruin the reputations of people?

A. Your lordship, I believed that I was talking to Inspector Graham - he advised me that he was investigating this, and it would be kept confidential.

THE COMMISSIONER: Confidential or not confidential, why were you repeating a lot of idle gossip? How old a man are you?

A. I am 51. I trusted Mr. Graham implicitly, and passed this on to him, never thinking it would end up in a situation like this.

MR. MacKINNON: I suggest you did, Chief McGill, and that the first sentence, or last sentence, you also told him, trusting it would not be passed on, and these are not stated as rumours, it is stated as facts, that you advised him that William Davis had told you these things?

A. That is an untrue statement, Mr. MacKinnon.

Q. Did you discuss - -

A. That is untrue. Now, - I went

to Inspector Graham's office.

(Page 795 follows)

C/RJH/1

Inspector Graham was making conjectures. He asked me if I had heard about a phone call that had been made, and I told him it was rumoured to that effect, and I told him I believed that Inspector Tomlinson had passed it on to me. Now, he said to me that who could make such a phone call must have been some one pretty powerful. And ---

MR. MacKINNON: Well ---

THE COMMISSIONER: Let him finish.

THE WITNESS: And it must have been some one pretty powerful, and he talked names, names were mentioned, and he asked me if I knew any of the history or background of any of these people, and there was conjectures and rumours and everything all mixed up together. I passed on some of this, but in the way it is reported here, no, I flatly deny that. It was a mixed up affair of conjecture and rumour.

MR. MacKINNON: Q. Did you tell Inspector Graham that you had been discussing this with William Davis ?

A. No.

Q. You never discussed it with --

A. I never discussed it with Mr. William Davis.

Q. Did you receive a phone call last night about this matter?

A. No.

Q. You didn't?

A. No.

Q. Then did I hear you say -- I am sorry, I may not have heard correctly, that Inspector Tomlinson had passed this matter on to you?

A. I could not remember who passed the matter on to me in relation to a phone call.

Q. That is right, I thought you mentioned Inspector Tomlinson?

A. I said it could have been Inspector Tomlinson.

THE COMMISSIONER: It could have been, have you any recollection at all?

A. No, I have not.

THE COMMISSIONER: Well, that is a fair illustration of how you carried on with Graham, it could have been misstated, it could have been this rumour, and that rumour, and you got them all mixed up?

A. Graham was on a fishing expedition trying to find out information.

Q. Sure he was, that is why he had you there.

MR. MacKINNON: If I may read to you the first and last sentence, so that we will get you firmly on the record. The first sentence reads:

"Chief G. McGill came to office and "confidentially informed me that

"Wm. Davis had told him that Mr. Frost "had told Davis that" (such-and-such member) "was responsible for keeping opn the "club."

A. No.

Q. You said you never suggested anything of the kind?

A. No, I didn't.

Q. And then the last sentence:

"Bill Davis told McGill that found-ins "were not questioned further at Brampton "through instructions of" (this member) "through Queen's Park."

A. No.

Q. You never suggested anything of the kind to him?

A. No, sir, I didn't.

MR. MacKINNON: Thank you.

THE COMMISSIONER: How far did you go in school?

A. I went to senior matric.

Q. Then you began working in some brass plant, was it?

A. Yes, I worked at various jobs, your lordship.

Q. I think you told me when you became Chief Constable, did you become Chief immediately in the Township?

A. No, sir, after two years.

Q. You joined the Force in the Township,

and then after two years you became Chief?

A. Yes.

Q. And there were four men under you then?

A. Yes, sir.

Q. Now there are 76?

A. Yes, sir.

Q. Were you a bit elated over the fact that you brought this to the attention of Premier Frost and without much delay this charter was cancelled -- in other words, you accomplished what the Provincials had failed to accomplish -- did that puff you up a bit?

A. No, sir, it didn't.

Q. Not at all?

A. Well, yes, I kind of felt as though I had accomplished something, but I was not puffed up, and my ego was not inflated.

Q. Not a bit?

A. No.

Q. I am just wondering the extent of which you drew on your imagination and converted what were rumours into facts when you signed the statement up in Kitchener and then gave a statement to Inspector Graham later.

A. Sir, when I talked to Inspector Graham he asked me to find out everything I could, all the information.

Q. You told me that.

A. He told me to give him rumours, background, everything else which I supplied.

Q. Yes.

A. To him I supplied them. I supplied them to him confidentially because I trusted him.

Q. Yes.

A. And that is the reason why all this.

Q. Were you a bit flattered when he called you in?

A. He never called me in.

Q. Oh?

A. To my knowledge, I was down in the buildings for some reason.

Q. Yes?

A. The only time -- I don't recall ever being called in, I dropped in. I don't recall ever being called in by Inspector Graham.

Q. What brought you into his office on Monday, August 15th?

A. I must have been down at the buildings for some reason or another, and dropped in to see how the investigation was going.

Q. Yes, what investigation?

A. He advised me he was investigating the Club.

Q. Yes?

A. And he had asked me to -- before, to supply all the information to him I could, and I volunteered everything that I could. Perhaps, I know, I was over-zealous, but I wanted to do everything I possibly could to eliminate this Club.

Q. When did you begin to be over-zealous?

A. I was over-zealous in 1958.

Q. Yes?

A. For wanting to do something about the Club.

Q. Yes, and you did something?

A. Yes, sir.

Q. And then would I be right in assuming that you continued to be over-zealous?

A. Withthe Club?

Q. Over-zealous on what you were doing, and what you had done?

A. You may take that.

Q. As a fact?

A. No, I would not say it was a fact. I do not think I was over-zealous after that, when the Club charter was revoked I was finished then.

Q. But you still wanted to get your hand in it, because you went in to see him without being invited?

A. I was down at the buildings that day, and I am not down there very regularly, and when I go there I call in to see the different inspectors. I dropped in to see him, and chat with him.

Q. You were still very interested in the investigation that was continuing?

A. He was telling me different things of what was going on. He volunteered information

to me, and I gave him some of this background there, that I said was rumours, and I still say it was rumours.

Q. He does not say it was rumours?

A. I quite agree with that, that he doesn't, I quite agree with that, but I could not prove that in the world. He wanted --

Q. Now, having said that -- you could not prove that?

A. I could not prove this part.

Q. If you said to him what he has put down in his diary, as having been said by you, you would not be -- you may not be able to prove it, then you were ruining reputations?

A. Inspector Graham never scratched a pen in his diary when I was present.

Q. But when you made the statement to him in Kitchener he was writing it down, I suppose, as you talked?

A. That is quite right, and he wrote down what he wanted to put down.

Q. Did you read it?

A. Yes, and I pointed out to him --

Q. That there were errors in it?

A. Yes, that there were errors in it, and I pointed out two errors.

C/2

Q. You still signed it?

A. I trusted him. You trust a fellow officer, a man you have known for quite a few years.

to me, and I have had some of their performances there, that I said was marvelous, and I should say it was marvelous.

Q. Do that and tell it was marvelous?

A. I crave sense with that, that do not prove that in the model. In making —

Q. Shall however make that in your answer not prove that?

A. I would that prove this here.

Q. If you could to take where in the pro down in his chair, on having been made by you, you would not do — you say not to aid to prove it, then you were auditing respectively?

Q. Definitive [illegible]

A. That is the thing when I was [illegible]

Q. Did that you take [illegible] die to [illegible] a [illegible] ?

A. That is quite right, and he made them ready to assist to you [illegible]

Q. Did you [illegible] ?

A. Then, and I [illegible] on to him —

Q. That there were [illegible] to [illegible]

A. Yes, that there were [illegible] to him, and I [illegible] one [illegible].

Q. [illegible] ?

A. I [illegible] him. You [illegible] a [illegible] [illegible], a man you [illegible] [illegible] a [illegible] [illegible].

THE COMMISSIONER: All right. Have you anything else to ask of this man?

MR. BREWIN: Yes.

THE COMMISSIONER: All right.

EXAMINED BY MR. BREWIN:

Q. Chief Constable McGill, if this report which you have in front of you is not a correct report, can you tell us what you did say -- leave out the names, or the particular name in question there -- what did you tell him, if you did not tell him this? You went there in order to see him, to report on the matter of the Club?

A. I did not go to him to report anything.

Q. What did you go for?

A. I just dropped in to see him to talk to him, to see how his investigation was progressing. As I say, there was a lot of conjectures at the time -- who could do this, and who could do that, and so on like that, and there was a lot of names dropped, and I gave him this background that is here.

Q. You gave him the background that

is here?

A. I gave him the one I discussed --

Q. The first thing this morning, I thought you said you did not give him this information, except one sentence that you say you did?

A. Mr. Brewin, we discussed this all.

Q. All? You discussed it all, did you?

A We discussed -- there was a general discussion, and a lot of conjectures, but who could do this, and who could do that, and rumours.

Q. You discussed all other matters in this memo, is that right?

A. I don't doubt the names were discussed, but this memo is wrong, the way it is set down, that is what I am getting at. I never said that up to there (indicating). I never said that at all. That first one, 2, 3, 4 lines, definitely I never said that, because I had no knowledge of it.

Q. Well, now, that refers to William Davis?

A. That is right.

Q. And he was, I think at this stage, the member for this area?

A. Yes.

Q. And I think you told us in your evidence before that he was co-operative with you in respect to your endeavour to close up

In money.

A. I guess that was 3 dimensions --

Q. (The Clerk using this exhibit.) I

hereby put your dial on your side.

Interrogatories, counsel can examine them for any

you didn't

Q. Mr. Smith, we discussed this B.L.

Q. Just? You discussed it all, did you?

A. We discussed -- there was a general

discussion, and a lot of conversation, but who

could do what, and who could do that, and

anything.

Q. Was discussed any money

in this case, in that regard?

A. I don't think the money was dis-

cussed, but this was to wrong, the way it is

now, that is why I am asking Mr. I

never said that up to close (indicates).

never said that at all. Type Clerk one, 2.

3, 4 times, definitely I never said that.

because I had no knowledge of it.

Q. Well, now, that refers to Plaintiff's

Invist?

A. That is right.

Q. And he has, I think as this shows,

the money for this work?

A. Yes.

Q. -- but I never was told by Mr Pen-

ninsula before that he was co-operating with

you in regard to your arrangement for hard ac-

this Club?

A. Yes.

Q. Did you not discuss this whole matter with him, the difficulties about closing it up with Mr. Davis -- I am not suggesting anything improper, but didn't you in fact discuss the background of this Club with Mr. Davis in the course of your endeavour to clean up this business -- you wrote a letter to him, do you remember?

A. I sent Mr. Davis the history of the Club with a letter.

Q. Did you not further discuss with him how your efforts, and perhaps his efforts, you said he co-operated fully -- of his efforts and your efforts, to clean up the thing -- didn't you discuss it with him?

A. I kept him advised by letter, which were on file.

Q. Did you never talk to Mr. Davis about this matter?

A. I don't recall talking to him about it.

Q. You don't recall?

A. No, I wrote him letters keeping him advised.

Q. Did you. And you were keeping him advised as the member, if I may put it of your crusade or endeavour in closing up these Clubs?

A. I asked him to expedite a hearing.

[illegible]

A. Yes.

Q. Did you do [illegible]

with Judge [illegible] [illegible] if he

asks Mr. Davis -- I am not suggesting [illegible]

[illegible], but didn't you in fact discuss the

[illegible] of Blue Cliff [illegible], [illegible] the

[illegible] of your [illegible] [illegible]

[illegible] -- [illegible] [illegible] [illegible]

[illegible]

A. I don't [illegible]. [illegible] the [illegible] of the

[illegible] with a [illegible].

Q. Did you not [illegible] [illegible]

[illegible], [illegible] the [illegible],

you would be co-operated fully -- of his [illegible]

and your [illegible], to [illegible] up [illegible] --

didn't you discuss it with him?

A. I [illegible] [illegible] [illegible],

[illegible] [illegible].

Q. Did you never [illegible] to Mr. Davis

[illegible] [illegible]?

A. I don't [illegible] [illegible] to [illegible]

[illegible] [illegible].

Q. [illegible] [illegible]?

A. No, I [illegible] [illegible] [illegible] [illegible]

[illegible].

Q. [illegible]. And you were [illegible] [illegible]

involved as the [illegible]. If I may put it of your

[illegible] or [illegible] in [illegible] up [illegible] [illegible]

A. I [illegible] [illegible] to [illegible] a [illegible].

THE COMMISSIONER: Why go all over that? We had that yesterday, that he went to Davis, for Davis's assistance, there is no question about that.

MR. BREWIN: I am suggesting that this is precisely correct, that he did discuss this with Davis.

THE COMMISSIONER: He has said he talked it over with Davis before he put in the brief.

MR. BREWIN: Oh, I think not.

THE COMMISSIONER: That is my recollection.

MR. BREWIN: He said this morning he did not ever discuss it --

THE COMMISSIONER: You did talk to William Davis before you put in the brief, didn't you?

A. Yes, sir.

THE COMMISSIONER: I have a vivid recollection of him saying that.

MR. BREWIN: You talked to him afterwards?

THE COMMISSIONER: No, he said he talked to him at first.

MR. BREWIN: With respect, Mr. Commissioner, I am now asking him if he talked to him afterwards.

THE COMMISSIONER: Yes.

THE WITNESS: After Mr. Davis was elected, I don't know whether he telephoned me or whether I talked to him, I cannot recollect, and he advised me that he had spoken to Mr. Cudney, or he had discussed the matter with Mr. Cudney, and as a result of that this letter -- that was

THE CHAIRMAN: Why do you come again to-day when you knew yesterday, when I asked you to leave, that Mr. Morris's evidence, which he gave on Monday, would be not prejudicial to the defendant?

MR. MORRIS: I am acquainted with Mr. Morris personally, and he is a Russian Jew.

THE CHAIRMAN: We have heard his evidence for over four hours before you came in the court.

MR. MORRIS: He said that he was a Russian Jew.

THE CHAIRMAN: You did hear Mr. MORRIS's evidence before you came in the court, didn't you?

A. Yes, sir.

THE CHAIRMAN: I have a clear recollection of that evidence.

MR. MORRIS: You believed in his sincerity?

Yes, I believed in his sincerity.

MR. MORRIS: Mr. Chairman, I am now asking that it be believed in this evidence.

THE CHAIRMAN: Yes.

THE WITNESS: Further sir, I would say, I don't know whether he is acquainted or not, whether I talked to him. I cannot recollect, and he admitted as soon as he had access to Mr. Morris, he had different view towards Mr. Morris, and as a result of some other reason -- that was

filed this morning -- is in here. Mr. Cudney wrote me setting out about the Club, and that was about the gist of the conversation. He was either going to see Mr. Frost, or had seen Mr. Frost.

THE COMMISSIONER: Yes?

A. He was going to see Mr. Frost, to assist in expediting --

Q. Yes, and Mr. Frost did?

A. Yes, Mr. Frost did, and I forwarded to Mr. Frost a copy of the brief.

MR. BREWIN: Then, the subject matter is mentioned here in this memo, of "Party contributions". Did you discuss that with Inspector Graham in this connection?

A. That is all tied in together.

THE COMMISSIONER: Did you discuss it with him?

A. With who?

MR. BREWIN: InspectorGraham at this interview, with which there is a memo here.

A. A I told you --

THE COMMISSIONER: Answer the question. Did you discuss that with Graham?

A. This was part of the rumours that I was supplying.

MR. BREWIN: You were supplying part of the rumours?

A. That is right.

Q. About "party contributions"?

A. Yes, rumours.

Q. Just rumours, eh?

A. Just rumours.

MR. BREWIN: All right, thank you.

THE COMMISSIONER: Yes, Mr. MacKinnon?

MR. MacKINNON: There is one thing that I overlooked to ask this man.

THE COMMISSIONER: If you have overlooked it, what is it?

MR. MacKINNON: It is with regard to after December 20th, 1961, when Inspector Graham went to see Mr. Common, and then two days later Mr. Common and Mr. Roberts and Mr. Bowman -- I would like to ask this witness if after this date he was interviewed by the Attorney General's Department in relation to this.

THE COMMISSIONER: Yes.

EXAMINED BY MR. MacKINNON:

Q. After December 20th, 1961, were you interviewed by the Attorney General, or any member of his Department?

A. No, sir.

Q. With regard to this matter?

A. No, sir.

Q. You have never spoken to any one in this Department on their behalf?

A. No, sir.

MR. MacKINNON: That is all.

MR. WILSON: That is all.

THE COMMISSIONER: That is all. You had better wait around.

THE WITNESS: Fine.

---The witness withdrew.

MR. WILSON: I will call Mr. William Davis.

WILLIAM GRENVILLE DAVIS, sworn,

EXAMINED BY MR. WILSON:

Q. You reside in Brampton, and you are a Member of the Legislature for that constituency?

A. For the County of Peel, that is correct, sir.

Q. And when were you first, or when were you elected to the Legislature?

A. June the 11th, 1959.

Q. And at that time you were a practising lawyer in the Town of Brampton?

A. That is correct, sir.

Q. And when did you commence to practise law?

A. I was called to the Bar in June of 1955 -- I think this is correct, yes, it was June of 1955.

MR. WILSON: Now, Mr. Registrar, would you let us have Exhibit 23 -- would you let the witness have a copy of it please.

Q. I show you a letter of the 26th of March -- or copy of the letter of 26th of March, 1959, from Garnet McGill, addressed to yourself, in connection with the Centre Road Veterans Club, did you receive that letter at that time?

C/3

A. Yes, I did, sir.

Q. And it is a request for your assistance, I take it, in connection with the problem of that Club?

A. Well, I would say, sir, that the letter itself is not a specific request.

Q. It is more or less information?

A. It is information that the Chief sent on to me in 1959.

Q. And that was prior to your election to the Legislature?

A. That is correct.

Q. Now, after that time, did you have any further dealings with Chief McGill, or any one else in regard to the Centre Road Veterans Club?

A. You mean after the election, or after this --

Q. After the date of this letter, 26th of March, 1959?

A. I am just going strictly from memory, sir, but I don't believe there was anything further discussed between Chief Magill and myself about the Club during the period before the election. To my recollection I told the Chief of Toronto Township that I would endeavour to co-operate with him in any way that I could, but that I felt that there could be nothing done by me, and perhaps nothing done by me in any event, because I was not in a position to do anything until after the election, and I think that is what he understood, and as I recall it, I didn't have any further conversation with him during that interval.

Q. Well, after the election, did the matter of this Club come to your attention again?

A. Yes, sir, it did. I am almost sure that nothing was mentioned or done about this matter during the summer months of 1959. I know we had an addition to the family in July, and I was away for a period of time then, and I am almost sure that nothing took place in August. And then I believe the Chief spoke to me again some time in the fall, and I cannot say whether it was early September or when it was, but it was some time, I believe, after August, when he gave me some more detail, and discussed the matter further, and asked me if I could give him any assistance. I believe this was some time early in September, but I cannot say for sure.

Q. Now, as a result of that request, did you take any action?

A. As a result of this I believe that I made an inquiry as to the procedure that should be adopted to bring about a hearing with respect to this charter. Now, I cannot say positively who I spoke to in the Provincial Secretary's Department, just to ascertain the mechanics of the situation, but I spoke to somebody, and I believe, and I am not sure of this, but I believe as a result of this, a letter was sent from the Provindial Secretary's

Department to Chief McGill outlining the procedure.

Q. May we have Exhibit 38. It may help us fix the time of that. Just show it to the witness please, Mr. Registrar.

A. I think that this timing, sir, would be very close to being right.

Q. That would be around September the 22nd, 1959?

A. I think that this would be correct, yes.

Q. That being the date of the letter from the Provincial Secretary's Office to Mr. McGill -- Exhibit 38?

A Yes.

Q. And then, did you right around that fall receive from Mr. Gill a copy of a letter that he had written to Mr. Cudney, which has been filed here -- Will you let us have Exhibit 24, please, Mr. Registrar. See if the end of the letter has a reference to copies having been sent to certain people, including yourself?

A. Yes. I believe, sir, that I received a copy of this letter. I have certainly seen it, and I believe I received a copy of that.

Q. And then after that time and -- prior to the time of the cancellation of this charter in June of 1960, did you have any further connection with the proceedings that

led up to the cancellation?

A. No. I had no direct contact so far as the proceedings are concerned, sir. My interest was having a hearing, and seeing that a hearing was held. This was my sole --

Q. I think you were advised that a hearing was going forth?

A. I understood that a hearing was being proceeded with, and I know nothing about what took plse at the hearing, and I subsequently learned that the charter was cancelled.

Q. Now, there has been -- there has been some hearsay evidence introduced here yesterday that I want to bring to your attention. Chief Inspector Graham states that he had an interview with Chief Constable McGill on August the 15th, 1960, as a result of which he made certain notations in his diary. Now, the Registrar is handing to you a copy of Exhibit No. 31, which is theexhibit in question.

A. I think perhaps this, sir, is just part of the Exhibit 31. It just states the time.

Q. Can I see what they have handed you?

A. Yes.

THE COMMISSIONER: Exhibit No. 31.

MR. WILSON: Exhibit No. 31 is the diary, and it was the excerpt from that diary that I wanted to put before the witness. It is a notation in the diary for the date of August 15th.

Now you will see that it reads in part:

"1.45 p.m. Chief G. McGill came to office "and confidentially informed me that "Wm. Davis had told him that Mr. Frost "had told Davis that" (a former member of the Legislature) "was responsible for "keeping open the Club."

And, you will notice -- I am not ---

THE COMMISSIONER: All right.

MR. WILSON: Yes. And then I want to read the next paragraph, because it has not been read. The last paragraph is:

"Bill Davis told McGill that "found-ins were not questioned further "at Brampton through instructions of "Kennedy through Queen's Park (A.G.)."

Now, first of all, deal with the first statement that appears in that.

THE COMMISSIONER: Let me see the diary, please, which is Exhibit No. 31.

MR. WILSON: Did you ever inform McGill Mr. Frost had told you that this former member of the Legislature was responsible for keeping open the Club?

A. I say this unequivocally, that Mr. Frost at no time told me or mentioned to me, intimated or in any way indicated to me that the former member for the County of Peel had anything to do whatsoever with that Club.

THE COMMISSIONER: So much for that.

Did you tell McGill?

A. I say without any hesitation or equivocation that I never made any such statement to the Chief of the Toronto Township Police.

MR. WILSON: Now dealing with the last sentence:

"Bill Davis told McGill that found-ins

4/C "were not questioned . . . "

and so on. Did you ever make that statement to McGill?

A. I never made that statement to McGill, sir.

Q. When did you, for the first time, ever hear anything about any found-ins at the Veterans Club being examined in Brampton in November of 1954?

A. Sir, I think my first knowledge of this, or this being referred to at this Commission, was this alleged phone call, and I believe my first knowledge of this would be when it was mentioned at the trials in the spring of 1961, if it was mentioned then, or in the speech by the Leader of the Opposition which I did not hear, but which I read, in December, or was it November -- or December of 1961. This is the first time that I can recall any reference or any question about these found-ins in 1954. This is the first that I have heard of it.

Q. You have never heard of this and

the found-ins and the telephone call until -- at the earliest, 1961?

A. That is correct, sir.

Q. And since that time have you heard of any rumours in your area?

A. Well, sir, there are always some rumours, and I have always made a practice of neither listening to them nor repeating them, and if you were to ask me I doubt now that I could be specific at this point as to what the rumours were in any event.

Q. I want to be clear -- you will notice that this is dated August 15th, 1960?

A. Yes.

Q. And at that time you say you never heard anything about any found-ins, or any telephone call, or any of the facts that I referred to in this memo?

A. That is correct, sir.

Q. I think that is all. Thank you, that is all.

THE COMMISSIONER: Have you any questions, Mr. MacKinnon?

MR. MacKINNON: Yes, sir.

EXAMINED BY MR. MacKINNON:

Q. Mr. Davis, did you receive correspondence from Chief McGill on this matter, apart from the two letters that you have mentioned -- one letter written in the spring of 1959, before your election, and a copy of a letter which was written in the fall of 1959, to Premier Frost, and others -- you being one of the others?

A. My recollection, Mr. MacKinnon, is that the first exhibit I saw, was the letter Mr. McGill sent to me in March of 1959, and I received a copy of a letter that was sent to Mr. Frost, and I cannot tell you the date, but I believe it was some time in November of 1959 I received a copy of that letter.

Q. Did you receive any other correspondence from Chief McGill on this?

A. Mr. MacKinnon, I cannot be sure -- I don't think so, but I would not say positively that I didn't.

Q. I wonder, Mr. Commissioner, Chief McGill in his replies toquestions by Mr. Brewin mentioned that he had sent letters, and I got the impression it was letters other than the ones that were put in, and I am wondering if we could have them now -- whatever they are,-- from Chief McGill's file?

MR. WILSON: We will have to ask Mr. McGill.

THE COMMISSIONER: Very well.

MR. MacKINNON: In any event, you were asked about Exhibit 38 -- the letter of September the 22nd, 1959, from E. Rainey Hunter to Garnett McGill, and that letter appears to be as a result of a conversation which Chief McGill had with E. Rainey Hunter.

A. I think that is correct, Mr. MacKinnon. I spoke to the Chief, and told him what I had learned at the Provincial Secretary's Department, and I suggested then they write or telephone him directly, and this letter, I believe, was as a result of his phone call.

Q. Of his phone call?

A. I would say that is right.

Q. Did I understand you to say that you never discussed this Club with Mr.Frost?

A. No, I did not say that, sir.

Q. Did you - -

A. I think, to be perfectly accurate and fair, that some time in September -- I want this to be understood very carefully, that I did not discuss this with Mr. Frost -- that I was either at a caucus meeting or some meeting when I asked Mr. Frost about two or three problems that I had in the constituency. One of them, as I recall, was to do with trying to get some industrial activity at the A.V. Roe plant, which you will recall was rather inactive at the time, and I believe I stated to Mr. Frost that there were two or three other

Q. Gentlemen, in my study, you just spoke about Dalcoit Ltd -- the Lessee of Greenacre the mine, that is, that is being tested in Jamesville, and that your present manager is in fact as a result of a conversation which Chief Justice had with Mr. Sidney Lipsett.

A. I really that is correct, Mr. Commissioner. I remember the affair, and with the help of the Minister of the Interior (Immigration), and I arranged that they settle on Greenacre this difficulty, and quite honour, I believe, was as a result of that phone call.

Q. Of his phone call?

A. I would say that is right.

Q. Did I misunderstand you in my last question, Mr. Commissioner that this transaction was in fact Mr. Lipsett?

A. No, I did not say that, Mr. Commissioner.

Q. That was --

A. I think, to be precisely accurate and fair, that came from Sidney -- I was held to be instrumental that afternoon, that I did not discuss this with Mr. Brown -- that I was alerted to a serious meeting of some meeting that I missed by. Brown spoke two or three problems that I had in the constituency, one of them, as I remember, was to do with trying to get some industrial activity in the E.V. Now Lipsett called you and I really was involved in the matter, and I believe I spoke to Mr. Brown that that there had not been enough

situations -- one of them being the Veterans Club in Cooksville. I did not ask him to do anything, or say anything specifically about it, because at this point I was not sure exactly what the situation was myself, and I doubt very much, in all fairness, that Mr. Frost would even remember that I had mentioned it, because I cannot tell you his exact words, but I think that he suggested he had never heard of it, and I think this is all that was said, Mr. MacKinnon.

Q. And did you report on this to Chief McGill, that you had raised the matter with the Premier?

A. No, I did not report on it. I believe I told McGill, but I cannot tell you whether it was before or after his letter, that I had mentioned it to Mr. Frost, and I think the impression I probably left with McGill was that Mr. Frost knew nothing about it. I think it is quite possible that I did that.

Q. So I take it that you said you had no discussion with Mr. Frost about this Club and the length of time it has been open in your riding?

A. None whatsoever.

Q. At no time?

A. At no time.

Q. Did you have any discussion about this Club with any one in the Attorney General's

[illegible]

[illegible]

[illegible]

Department, and with the Attorney General?

A. Mr. MacKinnon, I would be guessing if I were to -- I don't recall it. It is a possibility, but I don't recall it. Whether I had any discussion -- I think certainly -- I don't believe there was any discussion prior to the letter to Mr. Frost -- well, whether anything was said after that, I don't know. I don't recall.

Q. You don't recall speaking to any one about it?

A. I don't recall speaking to any one directly about it. I don't recall speaking to any one individually about it.

Q. Did any one speak to you about it, apart from Chief McGill?

A. No one spoke to me about it from the Attorney General's Department, sir.

Q. From any other Department?

A. No.

Q. Anybody from the Mines Department?

A. I have never talked to anybody from the Mines Department, Mr. MacKinnon. I think to be perfectly accurate, that the Provincial Secretary may have mentioned it to me some time in February to the extent that the proceedings were commencing, or going on, and this is all that was said. But, I think, to be perfectly accurate, that the then Provincial Secretary may have told me this, because he knew I was

5/C

interested in being kept up to date with what was happening.

Q. You were aware of this Club, having lived in this area for some time?

A. I knew that the Club was there.

Q. You knew what it was, presumably, that is why you were concerned about it?

A. I don't know what, of my own knowledge, I knew from what I was told was there.

Q. And you had discussed it with Chief McGill?

A. It was because of Chief McGill's interest, and I felt that in view of what he felt was going on, it was only proper that there should be a hearing to determine ---

Q. Now, with regard to the last sentence in this entry as to you telling McGill that found-ins were not questioned further at Brampton through instructions of certain persons at Queen's Park, did you ever discuss this with your father?

A. I have discussed it recently with my father, Mr. MacKinnon, yes.

Q. You did not discuss it ---

A. At this time, prior to this time, no, I never did.

Q. It had not been discussed at any time -- let us say prior to September or October of 1961?

A. No, it had not, sir. That is not

quite accurate, because if there was information, and if the letter -- at least, this telephone call was referred to in May or June of 1961, and I cannot help you with this, but if it was referred to then, then it is possible if the phone call was mentioned then, that I may have discussed it, but as I said earlier the first time I knew about it and the first occasion I talked to Father about it, was when the alleged phone call was mentioned, whether it was in the early part of 1961, or whether it came out in the fall of 1961, I am not sure which -- this is the first time I knew of it, and it is a possibility that Father discussed it with me or I with him.

Q. Did your father at that time indicate he had any phone call at all?

A. This is trying one's memory, Mr. MacKinnon.

Q. It is fairly recent, Mr. Davis.

A. I think that when I first discussed it with Father, I think the discussions, if any, took place in January, and we did not have too many, because I had certain personal problems at that time. I believe that he did indicate there had been some phone call, either on that day or the previous day, to some extradition or some case in Buffalo, but nothing to do with this.

Q. Did he say he had had any other

phone call?

A. Not that I recall, Mr. MacKinnon. He may have told me that there was this call with respect to this other matter. I think it was in Buffalo but I could not be sure, as I say Father and I rarely -- I wasn't --

Q. I appreciate that fact. I was just -- I was wondering, Mr. Davis, if you could recollect, as far as you can, about this conversation, whether your father mentioned anything about having another phone call quite apart from this one, having to do with the extradition?

A. I can recall this, and Father told me that in his thirty years of being a Crown Attorney in the County of Peel he had no interference whatsoever with officials of the Attorney General's Department.

MR. MacKINNON: That really was not my question.

THE COMMISSIONER: Well, it covers your question.

MR. MacKINNON: Whether he had a phone call? It might not be considered interference, with respect, Mr. Commissioner, from any one --

THE WITNESS: Mr. MacKinnon, as I told you, he may have suggested to me or told me he received a phone call to do with this proceeding, but as I have told you, I think, two or three times, he told me nothing and knew

nothing of any phone call about this matter on this particular occasion.

Q. By "this proceeding" you mean the one in Buffalo?

A. No, I am referring to the found-ins.

Q. He may have had a phone call?

A. I am saying that he did not, to my knowledge. He told me --

Q. From any one?

A. On this proceeding itself?

Q. That is --

A. That would be the extent of my discussions with Father, that is correct.

MR. MacKINNON: Thank you.

THE COMMISSIONER: Any questions?

MR. BREWIN: No, I have no questions.

THE COMMISSIONER: Thank you, Mr. Davis.

---The witness withdrew.

MR.WILSON: Call Mr. Frost.

MR. MacKINNON: Mr. Commissioner, Mr. Wilson has produced another letter from Mr. McGill's files, which I think should go in. It is a letter to Mr. Davis dated the 10th of November, 1959.

THE COMMISSIONER: Well, we can get it in later.

LESLIE M. FROST, sworn,

EXAMINED BY MR. WILSON:

Q. During what period were you the Premier of this Province?

A. From the 4th day of May, 1949, until the 8th day of November, 1961.

Q. Yes, I see.that you are armed with the reports in three Toronto newspapers of some hearsay evidence that was given before this Inquiry?

A. Yes.

Q. Before we deal with those reports, what knowledge did you have of the Centre Road Veterans Club at Cooksville during the period that you were the Premier of this Province?

A. To the best of my recollection, the first time I heard of the Vets Club was when I received a letter from Mr. McGill, Chief McGill.

Q. Let me see Exhibit No. 24 -- hand that to Mr. Frost. Possibly you have your own copy, Mr. Frost?

A. Yes, I have. However, I can speak from memory, I think. Well, I have a letter, Mr. Wilson, addressed to myself. I assume it is the same letter.

Q. Yes. I think, if you will look at Exhibit 24, you will find what has been filed is a copy of that letter addressed to you?

A. Well -- yes, that appears to be the letter.

(Page 835 follows)

Q. Was that a copy -- may I see that -- is that a copy of a letter written by Mr. McGill to Mr. Cudney?

A. No, it was addressed to me. It was apparently the same letter.

Q. Then could I see that one just for a moment. So that the letter addressed to you is an original, and refers to a copy having been sent to Mr. Cudney?

A. Correct, and five others or four others.

Q. Yes, and the others.

A. Well, now, what happened with this?

THE COMMISSIONER: That was October, the letter is dated October 28th.

A. 28th, sir, that is it, sir, October 28th. Now, sir, to get this thing in perspective, my wife and I, our home is in Lindsay, Ontario. We, however, live a very large part of the time out in the country in the Township of Fenelon about ten miles away and then when we are not sitting around we live at the Royal York Hotel, we have lived for some 20 years and still do.

What happened with this. I received this letter, quite a voluminous letter, marked "personal" and actually that is what drew my attention to it, it was marked "personal". I, in those days, and still do

Q. Was that a copy -- may I see that -- is that a copy of a letter written by Mr. Smith to you, Commoner?

A. Yes, it has Smithwood on it.

It was apparently the same letter.

Q. Then could I see that one just for a moment. So that the letter addressed to you is an original, and returns to a copy having been sent to Mr. Dunlop?

A. Commoner, and five others or four others.

Q. Yes, and the others.

A. Well, now, what happened with that?

THE COMMISSIONER: That was October, the letter is dated October 25th.

A. Yes, sir, that is it, sir, October 25th. Now, sir, to get back along to personalities, my wife and I, our home is in Lindsay, Ontario. We, however, live a very large part of the time out in the country in the Township of Bexley which has taken away our time when we are not attending around on line at the Royal York Hotel, we have lived for some 30 years and still do.

That happened with this. I received this letter, quite a voluntous letter, marked "personal" and actually that is not. Even by extension to it, it was marked "personal". I, in those days, and still do

receive a great volume of correspondence, and I wondered why such a letter would be written to me personally at Lindsay.

Now, as a matter of fact, it might have been that my wife and I, or that I would not have received the letter for perhaps some days, only it happened that we went to our Lindsay house.

Well, that was on October 28th. I acknowledged the letter to Mr. McGill on November 5th. Now, I may say, sir, ---

MR. WILSON:

Q. We have that letter of November 5th, so that ---

A. That, I think is the letter. I acknowledged the letter to Mr. McGill on November 5th. At that time I had been away from the city for several days, engaged in other things, and I arrived back in my office on November 5th and I replied to the letter, and I gave the matter to Mr. Farrell, who is one of the four executive assistants I have, and Mr. Farrell from there on looked after the matter.

Now, actually -- you mentioned the Vets Club -- the Vets Club as a matter of fact did not really make any impression on me. It was the fact that McGill had written to me, and he had written this letter personally, and when I wrote back I said that I certainly would not regard such a

receive a great volume of correspondence,
and I frequently give a longer reply to
writers to do personally as I know.

Well, if I recover at least, it would
have been from my wife and I, or more I
would not only preserve the letters you
mentioned some days ago, but I would
be about as sad through them.

Yesterday, that was my brother, I
acknowledged the letter to Mr. Morell as
Secretary Sir, so that --

A. That, I think is our letter.
I acknowledged the letter to Mr. Morell as
Secretary Sir. My that time I had been very
low spirits for several days, caused by
great fatigue, and I survived that in my
office on November 9th and I replied to the
letter, and I gave the reason to Mr. Morell,
who is one of the four secretaries assistants
I have, and Mr. Morell from there on looked
after the matter.

Now, actually -- you mentioned the
Vera Cruz -- the Vera Cruz to a matter of
there did not really have any correspondence
me. It was the first time Morell had written
to me, and he had written some letters
personally, and when I wrote back I said
that I actually could not clearly show a

MR. WILSON:

Q. We have that letter of
November 9th, so that --

A. That, I think is our letter.
I acknowledged the letter to Mr. Morell as
Secretary Sir. My that time I had been very
low spirits for several days caused by
great fatigue, and I survived that in my
office on November 9th and I replied to the
letter, and I gave the reason to Mr. Morell,
who is one of the four secretaries assistants
I have, and Mr. Morell from there on looked
after the matter.

Now, actually -- you mentioned the
Vera Cruz -- the Vera Cruz to a matter of
there did not really have any correspondence
me. It was the first time Morell had written
to me, and he had written some letters
personally, and when I wrote back I said
that I actually could not clearly show a

letter as a personal letter but would regard it as a public document and that it would -- that I expected that the same would be processed in the ordinary course.

Now, I got an acknowledgement from Mr. McGill under the date of November 10th. Here is his ---

Q. There has been a copy, I believe, of that letter.

A. Yes, that is right.

Q. Filed as Exhibit 26.

D2 A. Yes, that is right. Now, in the course of business which in the Premier's office, I can assure you, is carried on at a pretty hectic pace covering a great variety of subjects, I did not pay or the matter did not impress itself on me again. The matter was in the hands of Mr. Farrell, and the matter did not impress itself on me again until my great old friend the Toronto Star -- would you give me that -- wrote an article or had an article in the paper on May 26th, Friday, May 26th, and a further article on May 27th, xxxx a news item on which the heading was ---

Q. What year is that?

A. '61, this was 1961. I was confronted with the headline "Charge Frost Knew of Gambling Club". Now, the article did not mention any Club or anything of the

sort but it mentions the Chief of Police of Toronto Township and a letter that had been sent to my home. Of course, that clicked with me. I knew then that that was the letter and I must say, my lord, that I scurried to find out what had been done with it. As a matter of fact, I had forgotten the matter.

I got Mr. McIntyre, the Cabinet Secretary, I remember, and I asked him, I said, "What happened to that voluminous letter that was sent to me at Lindsay?". So it got around, sir, to the official, Mr. Farrell. Then he gave me a complete report on it and told me that the charter involved had been cancelled a year before, some time in June of 1960.

Q. That was June 4th, 1960?

A. That is right. Now, I must say to you this, that my impressions, of course, were made with the name McGill, and as a matter of fact, I don't think the Star article of May 26th mentions anything else but the Chief of Police of Toronto Township.

Now, as the result of that, I immediately released that to the press and the Star was good enough to publish it the next day on the 27th, and the newspaper clipping is there.

Q. That is, they published the

work for my publication the Chief of Police of Toronto Township and a letter which had been sent to my home. Of course, that claimed with me. I knew then that what was my duty and I just say, or know, that I accounted to right-and-wrong and been been with is. As a matter of fact, I had forgotten the matter.

I ask Mr. Monkman, the Inquiry secretary, I remember, and I asked him, I said, "Was happened to that voluntarily Lawyer that been to be at Lawyer? So it got around, sir, to the officials, Mr. Russell. Then he gave me a complete report in it and said to me that the complaint complaint had been laundered a year before, some time in June of 1950.

Q. Then was that the Mayor

A. That is right. Now, I made any to you then, that my innocence, of course, none made with the same merit, as a matter of fact, I don't think the Chief certain of Jay Eden mentioned anything also the Chief of Police of Toronto Township.

Now, as the result of that, I immediately referred that to the press and the Chief was good enough to publish it the next day at the City, and the newspaper clipping is

Q. That is, they published the

correspondence that passed between Mr. ---

A. No, I don't think so. The press release was given.

Q. It was a press release on the matter?

A. That is right. Here it is here, under the heading "'I took action on gaming club' Frost replies" it says.

"Premier Frost confirmed last night
"he had received a letter from
"Toronto Township Police Chief
"Garnett McGill in 1959 about a
"big gambling club.

" The story in the Star yesterday
"by Gwynn Thomas stated the Club was
"able to continue operations under
"provincial charter for seven months
"after the Premier was told about
"it.

" Although the letter was marked
"'personal' he had immediately put it
"on public record, Mr. Frost said.
"In a statement issued by Mr. Frost,
"by his secretary, Premier Frost said
"'My attention has been drawn to an
"'article in the Toronto Star of
"'today covering comments involving
"'a township police chief, imputing
"'to me certain knowledge of illegal
"'gaming operations. Insofar as these

"'comments concern me they would
"'apparently have reference to a
"'letter marked "personal" addressed
"'by him to me to Lindsay at the
"'end of October, 1959. To this
"'communication I sent an immediate
"'reply in which I advised that his
"'letter would be regarded as a
"'public matter. This letter was
"'immediately turned over to the
"'proper officials and appropriate
"'action was taken in accordance with
"'the requirements of the law."

They were good enough to publish that.

Q. Now, I take it that you have read the references to the hearsay evidence that was given here yesterday?

A. Yes, sir.

Q. And I would like to have your comment on the matter.

A. Well, my lord, as might be imagined, I was somewhat disturbed in reading this. The first intimation I had of it was last night about quarter to six. I had never heard of this even remotely, of this diary, or anything of that sort, until about quarter to six last night.

Now, there are various interpretations, sir, and if I might, I would like to go over them and comment upon each one of these

interpretations.

Take the Telegram of last night first. This is in the "Five Star edition" -- I suppose I shouldn't use the word "star" in connection with the Telegram.

Q. A little inconsistent.

A. Headed:

"Mystery M.P.P. cited at Crime "Commission.

" O.P.P. Chief Inspector Harold "Graham said today he was told last "year that an unnamed member of the "Ontario Legislature had stopped "the O.P.P. from closing a Cooksville "gambling club.

" Inspector Graham, head of the "Criminal Investigation Bureau, also "told the Royal Commission on Crime "that this information had come "indirectly from former Premier "Leslie Frost."

Now, sir, I say this to you and I say it on my oath and on my honour, that no such information ever came from me.

D3

"He said that hearsay information "claimed a former Attorney General "phoned Brampton Court on behalf of "an unnamed M.P.P. to stop investigation "of 34 men arrested as found-ins in "the Vets Club at Cooksville."

Well, sir, that is completely untrue. At no time did I say anything of the sort, nor did I know anything of the sort to say it, and if it is imputing that this came from me it is completely untrue.

"Inspector Graham quoted Chief "Constable McGill of Toronto "Township as saying the information "had been given McGill by William "Davis, M.P.P. for Peel County ...

".....

" Inspector Graham said today "that McGill told him that William "Davis had talked to Premier Leslie "Frost about the matter."

Now, may I say, first of all, sir, that I have explained that the Vets Club would not ring a bell with me between the time I gave that letter to Mr. Farrell in November of 1959 until the Star in May, 1961; but in any event, if the Vets Club was used or not used, I may say that I never discussed with Mr. Davis anything of the sort, now, directly or indirectly.

" The Inspector said that McGill "claimed Davis said the call was made "by the Attorney General on behalf "of a former member of the Legislature.

" The Inspector said McGill told

"him that he had been told that
"the Club had been kept open
"through representations by this
"unidentified former member.
" Inspector Graham said this
"information was given to him by
"Chief McGill in Graham's office
"on August 15th, 1960.
" Inspector Graham quoted
"Chief McGill as saying:
" 'Bill Davis --'"
or "Bill" with "Davis" in parenthesis,
" '-- had been talking to Mr.
" 'Frost and that he said that
" 'a former member of the
" 'Legislature had been res-
" 'ponsible for keeping the
" 'Club open.'"

Now, sir, that statement is completely untrue and without foundation. At no time did I state anything of the sort to Mr. Davis or anyone else, and as a matter of fact no such information ever came to me.

"He said that the former member often
"came to the Chief's office.
" He said Bill told the Chief
"that the found-ins were not questioned
"further at Brampton through instructions
"of this former Member of the Legislature."

Now, sir, if that refers to me I would

say that there never was such a conversation, or there never were such comments made or given to me.

Now, I might say this, that Mr. Davis was elected in Peel County in June of 1959. I did have discussions with him over matters that I was very greatly interested in -- Avro, re-establishment of industry, the replacement of men and women who were thrown out of work there -- but never to my knowledge, sir, did I ever have any conversation with him about the Vets Club. Now, this is to the very best of my recollection, and if it was ever mentioned to me, I must say this, that it did not make any impression on me at all and I do not think that the name "Vets Club" would have meant very much to me.

If he had mentioned McGill, if he had ever mentioned, it might have made an impressasion but, now, sir, I would turn to the Star of yesterday.

Q. That is the "All Star Night Edition"?

A. "All Star Night Edition" and it has got five stars on it too. I want to say for the Star that it has, I think, a very decent report of this thing in here. I mean, I am not commenting adversely on any of these, but it says this on page 2:

any that Boyd never was quite a convenience, or there never were quite those causes to mean or given to me.

Mrs. Boyd was then, that Mr. Boyd was already in poor health at the time. I had a bad [illegible] [illegible] in a Boyd-worried [illegible] of laughter, the [illegible] of [illegible] women who were thrown out of work there -- but never to my knowledge, and, as I stated [illegible] [illegible] Miss Blue. Boyd was in my [illegible] of my recollection, and if he was ever mentioned to me, I must say that, that is, [illegible] [illegible] and I do not think that the name Miss Blue would have meant very much to me.

If he was mentioned [illegible], if he had been mentioned, it might have made an impression but, now, mr, I would turn to the time of yesterday.

Q. What is the "All Your Rights" [illegible]?

A. "All Your Rights Mansion" [illegible] it has not this stamp on it [illegible]. I want to say for the Blue case in [illegible], I think, a very [illegible] of this today in [illegible]. I mean, I am not commenting adversely on any of them, but it says this on page 2:

"Chief Inspector Harold Graham
"of the O.P.P. testified a former
"unnamed member of the Legislature
"had been responsible for keeping
"a Cooksville Gambling Club open
"but, he said his information was
"'second hand'".

Now, sir, if there was any such information, I can assure you that such did not come from me directly or indirectly.

"He had been told about the unnamed
"member -- and other unnamed officials
"of the Attorney General's Department
"- by Chief McGill, who also had it
"second hand.

" 'He told me he had been talking
" 'to Bill Davis --'"

then in parenthesis "William Davis, P.C., M.P.P. for Peel, parenthesis:

"... 'he said Bill Davis had been
" 'talking to Mr. Frost (apparently
" 'former Premier Leslie Frost)...'"

which shows you how soon you are forgotten, sir -

" 'and he said --'"

this is, I guess, what I am alleged to have said:

" '... he said a former member
" 'of the Legislature had been
" 'responsible for keeping the

"Chief Inspector Harold Spence
"of the C.I.D. testified a former
"member of the Legislature
"had been responsible for getting
"a Cockayville Gambling Club spon-
"sor, he said the information was
"'second hand'".

Yes, sir, I have my own opinion
about that. I was sorry for Lt.
Col. Jim at Security of Institutions.

"He had been told about the unusual
"member -- but which member? MYSTERIOUS
"of the Attorney General's Department
"- by Chief McGILL, who also had it
"second hand.

" 'He told me he had been talking
" 'to Bill Davis --'"

Then, in parenthesis "William Davis, I.C., M.P.P.
for Ivel, parenthesis:

" '... 'he said Bill Davis had been
" 'talking to Mr. Ernest (apparently
" 'Vincent Crocker, Social Credit...'"

which shows you how soon you was forgotten.
you -

" 'had be said --'"

Then is, I guess, were I so alleged to have
said:

" '... he said a former member
" 'of the Legislature had been
" 'responsible for keeping the

"'Club open.'"

Now, sir, I never made such a statement to Mr. Davis or anyone else.

"'He said the former member
"'often came to Chief McGill's
"'office. He said Bill Davis
"'had told him that found-ins
"'-----'"

and in parenthesis "in police raids on gambling clubs":

"'..often were not questioned
"'through instructions of a
"'former member at Queen's
"'Park through the Attorney
"'General's Department.'"

Now, sir, if that statement refers to anything that I am alleged to have said, it is completely untrue. I never made such a statement in my lifetime, nor did I have any information or anybody ever indicate anything to me that would lead to that.

Now, I turn to the Globe & Mail of this morning, sir, March 29th, under the heading :

"M.P.P. Shielded Club, Crime
"Inquiry Told."

And they said:

"A bewildering skein of conversations
"linking one person with another,
"some of them not named, was wound

"Club open."

"Mr. Ray, I never said such a
statement to the young ex-Queen (yes,
the said the former monarch
"Queen now is Miss Ruth
"Why— go and tell Uncle
"But wait you can [illegible]
[illegible]
and is [illegible] "Mr. Little [illegible] be
[illegible] clubs":

"..often were not quarrelled
"through intercession of a
"Queen member or Queen's
"Miss Ruth [illegible]
"[illegible] Queen."

"Oh, sir, if that statement refers to
[illegible] that I am alleged to have said, it
is completely untrue. I never made such a
statement in my lifetime, nor did I have
any intercession or anybody ever suggested
anything to me that would lead to such.

"Now, I turn to the Clubs & Hall of
Fame [illegible] Mr. Jones [illegible] read the
reading :

"Ruth-Holland Club, crime
"Laundry Truck."

And then said:

"A burlesque skits of conversations
"Leading one person then another,
"some of them not named, was wound

"by witnesses appearing before
"the Royal Commission on Crime
"yesterday.
" Information at second, third
"and fourth hand about a Cooksville
"gambling club led from a Township
"Chief Constable to a member of
"the Ontario Legislature to
"former Premier Leslie Frost to
"Attorney General Dana Porter, now
"Chief Justice of Ontario.
" At one point during testimony
"the Commissioner, Mr. Justice Roach,
"ruled that names of officials
"contained in a statement by Chief Justice
"(sic) Garnett McGill of Toronto
"Township would not be made public."

Then it has a comment by yourself here, sir, which I do not need to read.

Now, I would say this, that -- it proceeds this way:

"Chief Inspector Harold Graham of
"the Provincial Police testified
"that Chief McGill had told him
"That William Davis, M.P.P. for
"Peel County, reported a conversation
"with Mr. Frost in which the former
"Premier said a telephone call from
"the Attorney General had stopped
"the questioning at Brampton in

"1954 of found-ins from the Centre
"Road Veterans Club at Cooksville".

Now, sir, again, there never was such a conversation, and I ask you to note this, that that conversation is -- the interpretation of that is somewhat different than in the other papers. It goes on, and this is also new, at least a new interpretation as I see it:

"Inspector Graham also testified
"he was told through the same chain
"of information that Mr. Frost had
"disclosed that a former Member of
"the Legislature had kept the
"Cooksville Club open."

Now, sir, again there never was such a conversation.

Now, I must say this, sir, that I gave this matter to Mr. Farrell in November of 1959. Now, it may have been that Mr.Farrell reported to me in a routine way what proceedings that had taken place, but I must admit that I cannot recollect that.

Q. I think we should call Mr. Farrell to deal with that.

A. I mean, he may have -- I don't know -- he may have reported to me in the things that went through, I don't know. In any event, I would say that really the matter became, was brought more forcibly

to my attention in the Toronto Star report of May 28th.

I would say this again, what would ring the bell with me would really be the McGill name.

Now, it may have been that Mr. Farrell mentioned to me about the Vets Club and the proceedings, but if it did, if he did, it seemed to me entirely new when he told me in May 1961 at the time of the Toronto Star article that the matter had been closed up about a year before.

Now, sir, I think that covers the whole story as far as I know.

Q. Thank you very much.

THE COMMISSIONER: Any questions?

MR. MacKINNON: Yes, Mr. Commissioner.

EXAMINED BY MR. MacKINNON:

Q. I notice, Mr. Frost, that you refer to a file. Have you got a file with you on this particular matter?

A. Yes, I have. The file, I think it is all tabled here.

Q. I wonder if I might have a look at it?

A. Yes.

Q. I believe you stated to the Commissioner that the Vets Club did not sign

Q. Do you know in the Toronto Star report of May 26th?

I would say that Lady, that the last was in the April issue.

Then it may have been issued at Barrie Ontario to be sent in the Club and the proceedings, but if so it, if so that, it seemed to me certainly was when he left on in May 1921 at the time of the Toronto Star-writing that the matter had been closed up about a year before.

Now, sir, I think that covers the whole story as far as I know.

Q. Thank you very much.

THE CHAIRMAN: Mr. Mackenzie.

MR. MACKENZIE: Mr. Mr. Chairman,

EXAMINATION BY

Q. I notice, Mr. Frost, that you refer to a file. Have you got a file with you on this particular matter?

A. Yes, I have. The file, I think it is all copied here.

Q. I wonder if I might have a look at it?

A. Yes.

Q. I believe you alluded to the communication that the Yoga Club did not stem

ring a bell with you at any particular time?

A. No, actually it didn't, didn't ring a bell with me.

Q. Did the names McDermott and/or Feeley?

A. No.

Q. Were they known to you?

A. No, no, not to my knowledge. Now, mark you, in the thousands of people I would meet, I might have met Messrs. McDermott and Feeley, but I cannot place them, not to my knowledge.

Q. Now, in 1954, the episode with which we are concerned here took place on November 24th of that year, and apparently, at least according to one diary that has been filed ---

A. What episode are you referring to?

THE COMMISSIONER: A raid on the Club.

MR. MacKINNON: Q. The raid on this Veterans Club and the alleged phone call made from the Attorney General or the Attorney General's Department about that raid on that date. Apparently there was considerable "fuss" if I may use that word, in the newspapers about this raid and what had transpired. Do you recall reading that matter at all at that time?

A. No, I don't, not to my

ving a ball with you at any particular time?

A. No, actually it didn't.

Didn't bring a ball with me.

Q. Did you ever accompany employees

A. No.

Q. Have you ever in your

A. No, no, not to my knowledge.

Q. Have you ever accompanied employees

I would meet, I might have met Bonaro.

Montmorrt and Bealey, but I cannot place

them, not to my knowledge.

Q. Now, in fact, the majority

also meet by any coincidence were

place on November 24th of that year, and

Apparently, it seems reasonable to

story that has been filed ---

A. What episode are you referring

to?

MR. CONNELLY: A call on the Club.

MR. MACDONALD: Q. The call on this

Veterans Club and the alleged phone call made

from the Kamloops Hotel to the Company.

General's department about that call on this

date. Apparently there was considerable

"fuss" if I may use that word, in the newspapers

about this raid and what had transpired.

Do you recall receiving that letter at all at

that time?

A. No, I don't, not to my

recollection. Mark you, thousands of things happened in the meantime.

Q. I quite appreciate that.

A. It might have been that something was said or some question asked or something of that sort, but ---

Q. Then on February 23rd, 1959 there was a discussion in the House about these gambling clubs, and you were shown as being present, and it has to do with these bona fide incorporated social clubs and arose apparently as a result of a statement made by Police Chief MacKay.

A. MacKay?

Q. Police Chief MacKay of Metropolitan Toronto.

MR. WILSON: Mackey, would it be?

MR. MacKINNON: Q. I am sorry, Mackey, Police Chief Mackey, who had alleged that gamblers were operating from these social clubs in Metropolitan Toronto. Do you remember that debate?

A. Well, I don't know.

THE COMMISSIONER: Show it to him.

MR. MacKINNON: Q. I have got marked the statement of Mr. Roberts there, you will see.

MR. WILSON: What page, what date was it?

MR. MacKINNON: February 23rd, 1959.

THE WITNESS: Well, I cannot recollect

[illegible] Q. [illegible] of [illegible] [illegible] [illegible]

this particular statement but I was a very constant attendant in the House.

Q. Your name is shown as having interjected.

A. Then I guess I was one of the "found-ins" then.

May I say this to you, that the problem in my political life, the problem of these particular clubs goes back a very long way, back, I remember, in 1940, and from then on there were great stirs in the Legislature about the type of clubs that were operated in the Lakeshore area. Now, that would be out in that fine portion of the city to the west here. So that it was not, I would say, not a particularly unusual subject.

Q. Well, on this occasion, or prior to this statement by Mr. Roberts, did you have any discussion about these particular clubs, because we have been advised there were three of them in particular that bothered the Provincial Police, and the Vets Club was one of them.

A. I cannot say that I did. I don't recollect. What clubs were they?

Q. Well, there was the Frontier Club, the Veterans Club, as it was known, and the Roseland Club in Windsor.

A. Not to my recollection.

[illegible] questioner continued that I was a very constant attendant in the house.

Q. Your name is known as having been [illegible].

A. That I have [illegible] the "Tom-Tom" Club.

Now I ask you as a [illegible] question in my political life, the question of total abstinence which you said I was [illegible] that way. Then, I remember, in 1900, was you the man who made some [illegible] in the Legislature about the type of [illegible] that operated in the Lakeshore area. Then, that would be out in that fine portion of the city to the west here. Do even in was only I really did, but I [illegible] [illegible] subject.

Q. Well, on this occasion, or prior to this statement by Mr. Hewitson, did you ever hear Alderman [illegible] particular class, because we have been advised there were three of them in particular who entered the Provincial Hotel, and the Vera Club was one of them.

A. I cannot say that I did.

[illegible] [illegible] [illegible]

Q. Well, there was the President Club, the Tomato Club, do it not seem, and the Rosland Club in Toronto.

Q. [illegible] [illegible]

Q. Prior to the Vets Club acquiring that name, it was known as the Alpha Club. Was that name known to you?

A. No, no.

Q. Now, we have been advised here that through the Attorney General's office on July 12th, 1957, these particular clubs that I have just mentioned to you, these three were issued provincial charters. Were you involved in the discussion of this?

A. No.

Q. Of these charters at that time?

A. No.

(Page 855 follows)

MR. MacKINNON: You were never consulted in this connection?

A. Not to my knowledge. Not to my recollection at all. I don't know why I would have been, I mean.

Q. Now, this is a blanket question: Did you ever discuss this Veterans Club with any member of the Legislature, prior to Mr. Wintermeyer's speech?

A. Not to my knowledge. Now, if - unless - unless Davis mentioned it about the time of the McGill letter, but I have no recollection of that.

Q. Apart from Mr. Davis?

A. I don't know. I have - I have no knowledge of it, no.

Q. Did anyone else from outside the Legislature ever raise this question of this club?

A. No.

Q. Was it ever suggested to you by anyone that the police were persecuting this club?

A. Not to me, no.

MR. MacKINNON: Thank you, Mr. Frost.

A. Okay.

MR. WILSON: I think Mr. Erwin may want to - - -

Q. Mr. Chairman: You were there personally in this connection?

A. Not to my knowledge. Not to my recollection at all. I don't know why I would have been, I mean.

Q. Now, this is a closely contested race, but you were elected then [illegible] the Senator in the Legislature, prior to Mr. Kennedy's death?

A. Not to my knowledge. Now, I'm - unless Davis mentioned it around the time of the model letter, but I have no recollection of that.

Q. Apart from Mr. Davis?

A. I don't recall. I think - I have no knowledge of it, no.

Q. Did anyone come from outside the Legislature ever raise this question of this letter?

A. No.

Q. Was it ever suggested to you by anyone that the police were investigating this case?

A. Not to me, no.

Mr. McGlynn: Thank you, Mr. Chairman.

A. Okay.

Mr. Wilson: I think Mr. Lenzner may want to - - -

EXAMINED BY MR. SHEWIN:

Q. Mr. Frost, Exhibit 12 in these proceedings is a memorandum of the sergeant in charge of the Anti-Gambling Squad addressed to the Commissioner of Police for Ontario. Perhaps if the Registrar would let him see it. And it deals with an interview in Mr. Common's office, Mr. Common being, I think, at this time, the Deputy Attorney General, Mr. Bowman, Q.C., the assistant-Commissioner of Provincial Police, and the writer of the memorandum, Mr. Anderson. It says this:

"The subject of conversation at
"this time, was the Honourable the
"Attorney General's, Mr. Kelso Roberts
"decision to - - "

And then:

"(a) the granting of Provincial
"charters to three well-known gaming
"establishments - - - "

And then it goes on to deal with other matters about checking of the premises, and raids and so on. Were you aware that that had been a decision of the Attorney General to grant Provincial charters to three well-known gaming establishments? I don't mean the particular establishments, but to any gaming establishments?

A. No. No.

[illegible] in B. Columbia

Q. Mr. Frank, referring at in some proceedings in a memorandum of the meetings in charge of the Post-Combining Board addressed to the Commissioner of Police for Canada. Perhaps if the Registrar would let him see it. And it deals with an interview in Mr. Common's office, Mr. Common being, I think, at this time, the Deputy Attorney General, Mr. Bowman, K.C., the assistant-Commissioner of Provincial Police, and the writer of memorandum, Mr. Anderson. It says this:

"The subject of conversation at this time, was the incorporation the "Attorney General's, Mr. also because "dealing in [illegible]

and then:

"(a) the practicability of providing "measures to stamp well-known gaming "establishments [illegible]

And then it goes on to deal with other matters based concerning of the premises, and notes and so on. Have you seen that that had been a decision of the Attorney General to grant provincial licenses to three well-known gaming establishments? I don't mean the particular establishments, but to the gaming establishments?

Q. It was not?

A. I haven't any recollection of it, no. If the matter was discussed with me, I would say that it was not regarded as - with me as anything that made any impression on me. I have no recollection of it.

Q. Do you know a Mr. Louis Herman, who is I think said to be the solicitor who acted in the incorporation of these three clubs?

A. Well, I-would that be Louis Herman, Q.C.?

Q. Yes, I believe so.

A. Yes, I do. Yes, sir.

Q. Do you know - in what connection do you know him?

A. Well, he was one of my standard bearers. No, I guess he was the standard bearer back in George Drew's day. I don't think he was in my day. No. I think that that was right. I could be wreng about that.

Q. Well, now, to get back to the granting of the - -

A. I think he was, now.

Q. Now, to get back to the granting of Provincial charters to gaming establishments generally, that was not a matter of Government policy, if it was so, it was a matter then, I take it, as the Attorney General's decision?

A. Well, it would be the Attorney

Q. It was done.

A. I haven't any recollection of it.

Q. If you review the transcript since then, it would say that it was not re-read or - with no no qualifying words since that transcription on an. I have no recollection of it.

Q. Do you know a Mr. Louis Sarmen, who is I think said to be Allstate's adjuster was called in the investigation of these three claims?

A. Well, I would say he is Louis Sarmen, S.C.?

Q. Yes, I believe so.

A. Yes, I do. Yes, sir.

Q. Do you know - in what capacities do he here like?

A. Well, he was one of my attorneys, yes. I guess he was the principal handler in Georgia from's day. I don't think he was in my day. No. I think that was right. I could be wrong about that.

Q. Well, now, to get back to the standing of the -

A. I know he was, yes.

Q. Now, to get back to the question of investigatory attorneys to deciding subrogation, generally, that was not a matter of Government policy, if it was so, it was a matter then, I know it, of the Attorney generally's decision.

A. Well, it would be the Attorney

General's decision, yes, but I would say this, that the problem of granting charters to establishments that tried to get under the wire, was always a matter, and has been, as long as I can remember, a matter of some interest. Now, I think the - I could say this, that the policy of the Government, and the policy of the Attorney General's Department, and the policy of the Provincial Secretary's Department, was not to grant such charters. In other ways - in other words too, by actions of the Government or Government Departments, to condone gambling, or law-breaking, or anything of that sort.

Q. Now, if those charters were granted against the advice or recommendations of the Ontario Provincial Police, that would not be in accordance with policy then?

A. Well, that is, I would say a hypothetical question, and it is in pretty broad terms. I don't know. All of these things have their own circumstances, and their own conditions. I wouldn't know.

Q. I - I appreciate that, Mr. Frost, I am just putting - -

MR. WILSON: Mr. Commissioner, I think this is most unfair. The evidence about the adverse reports will be brought out. It will be dealt with by the officials in the Provincial Secretary's Department who made the decisions.

Minister's decision, then, did I hear you him, that the policies of granting charters to establishments that drive in the water the city, and always a region, are not such, it been as I see Minister, a matter of some importance. Only a short day - I could say here, that the policy of the Government, and the policy of the Attorney General's Department, and the policy of the Provincial Secretary's Department, was not to grant such charters. In other words - in other words too, by action of the Government or Provincial Legislature, to prevent gambling, or law-breaking, or anything of that sort.

Q. Now, if that Ministry were carrying out the policy of Government, the of the Ontario Provincial Union, that would not be in accordance with policy there?

A. Well, that is, I would say a hypothetical question, and it is in proper legal form. I don't know. All of these things have their own circumstances, and their conditions. I wouldn't know.

Q. I - I thought that, perhaps, I am just putting - -

Mr. MILLOY: Mr. Commissioner, I think this is most unfair. The evidence about the matter together will be forced out. It will be dealt with by the officials in the Provincial Secretary's Department and not the witness.

A. Mr. Brewin, can I - I am sorry, sir.

THE COMMISSIONER: Go ahead.

A. Mr. Brewin, can I say this, that the - I have stated the general policy. Now, the application of that policy to specific cases, of course, would be a matter for the Departments concerned, no doubt. Those things I would not know anything about.

Q. It certainly was not then a matter - a usual matter, or a matter of general policy that it was well known that -- that a particular group of clubs were operating as gaming clubs, to charter them?

A. Well - -

MR. WILSON: Mr. Commissioner, there seems to me a sinister connotation to the word gaming clubs. Certain gaming clubs are recognized.

MR. BREWIN: Not as gaming clubs.

THE COMMISSIONER: That is not what Mr. Brewin is talking about, I didn't understand.

MR. BREWIN: I think the witness can look after himself.

THE COMMISSIONER: I don't think Mr. Frost understands him to be talking about clubs where you can have legitimate gambling.

A. Well, Mr. Brewin, what is your question again?

A. Mr. Chairman, may I ask a question, sir, and congratulate Dr. Bowen.

Q. Dr. Bowen, may I say that that was a very crucial point. Now, the application of that policy to specific areas of housing would be a matter for Government consideration. Yes Moore. Would that be your policy question?

A. It certainly was not then a matter - a usual matter, or a matter of general policy that is was well known that -- that a particular area or place was unsuitable for public housing.

A. Well - -

Mr. Chairman: Mr. Swartzentruber. Have you a supplemental question?

Mr. Swartzentruber: Yes, Mr. Chairman. Thank you. Mr. Chairman, Mr. Bowen, I may be wrong, but I think the question was not quite clear.

Mr. Chairman: I think you answered that very clearly.

Mr. Swartzentruber: I don't think Mr. Bowen quite understood him to be talking about where you can have additional housing.

A. Well, Mr. Bowen, what is your question sir?

MR. BREWIN: Well, my question is, is it out of the ordinary, is it an extraordinary thing, in your mind, as a matter of policy, that charters should be issued to clubs which were well-known, and reported by the police to be gaming clubs, illegal gaming clubs, if you want to put it that way? Would that not strike you as an extraordinary thing?

A. Well, I guess you would have to take - you would have to take the specific case, and take the circumstances, and the interpretations that were placed upon it by the officials in charge.

Q. Well, if - -

A. I would say this definitely, that the general policy of the government, and the policy of myself, would be to condone in no way evil by actions of the Government or Government departments. Now, I would expect the Departments to carry that out, and - and too, of course, I recognize they would have to make interpretations ~~individually of~~ of that circumstances would prevent, but I would expect that their interpretations would follow the policies of the Government and myself at that time.

Q. And you - I thinkyou said already that you knew nothing about the fact that charters were issued by - -

A. Well, I may say this to you that

the matter - -

THE COMMISSIONER: Well, just a moment. Why don't you put it: If charters were issued under those circumstances, did he know anything about them.

MR. BREWIN: If charters were issued by the Provincial - relevant Provincial Department, and through the advice of the Attorney General's Department, to clubs that were known and reported to be operating as gaming clubs, that would be something you knew nothing about?

A. That is right.

Q. As Prime Minister - -

A. That is right.

Q. - of the Province.

A. That is right.

Q. And you were not consulted about that, as a matter of policy?

A. That is right. That is right.

THE COMMISSIONER: That is all, thank you, Mr. Frost.

A. My lord, I want to say this, that in these matters if I can be of any assistance at any time it will be indeed a pleasure, sir.

THE COMMISSIONER: Thanks very much.

---The witness withdrew.

MR. WILSON: I would like to call

the answer - -

THE COMMISSIONER: Will you a

answer. Why don't you put it? If circumstances

could lessen your responsibility, is it

also supposing that was.

MR. SCOTT: It happened long before

of the Provincial - Relevant Provincial Investigation,

and through the advice of the Attorney General's

Department, to other that were known and regarded

as be operating as gaming clubs, that would be

exercising and from morning Bonsir

Q. What is right

Q. As Prime Minister - -

A. That is right.

Q. - of the Province.

A. That is right.

Q. And you were not consulted about

that, as a matter of policy

A. That is right. That is right.

THE COMMISSIONER: That is all, thank

you, Mr. Scott.

A. My lord, I want to say this.

that is three matters if I can be of any assistance

at any time it will be indeed a pleasure, sir.

THE COMMISSIONER: Thanks very much.

The witness withdrew.

MR. WILSON: I would like to call

Mr. Farrell. He will be quite brief. I just want to carry through on that.

RAYMOND ALBERT FARRALL, sworn:

EXAMINED BY MR. WILSON:

Q. In 1959, you were one of the Premier Frost's executive assistants?

A. Yes.

Q. And you continued in that position for what length of time?

A. Since approximately the beginning of July, 1957, till Mr. Frost retired.

Q. Retired as Premier?

A. Yes.

Q. Now, you heard his evidence a few minutes ago about the receipt of this letter of October the 28th, 1959, from Chief Constable McGill?

A. I have, sir.

Q. And his reply to that letter under date of November the 10th - November the 5th?

A. Yes.

Q. And did all that correspondence

on. Overall, Mr Hill is quite brief. I just want to write through in 1981.

Cross-Examination, resumed:

Examined by Mr. Atkins:

Q. In 1981, you were one of the Special Irish's commission-appointed

A. Yes.

Q. And you continued in that position for ever long, of course?

A. Every commissioner by the

Beginning of July, 1987, still Mr. Kevin Atkins.

Q. Retired as Secretary

A. Yes.

Q. Now, you heard his evidence a few minutes ago about the meeting of this Inquiry of October the 29th, 1987, from Chief Constable Hartley?

A. I have, sir.

Q. And his reply to that letter under date of November 2nd 1987 - Moreover the Sub?

A. Yes.

Q. And did all that correspondence

- there was a further letter of November 10th from Mr. McGill, or Chief Constable McGill. Did all that come to your attention?

A. It did, sir.

Q. And then, did you follow up the matter?

A. I did, sir.

Q. And briefly will you tell us

E/2 what you did in that regard?

A. Well, when Mr. Frost gave me the letter, he told me to take it up with the two departments concerned, the Provincial Secretary and the Attorney General's, and I got in touch with them within a day or so, and they - and as had been stated in Chief McGill's letter, they had got - already received copies of the letter to Mr. Frost, and I told them that Mr. Frost was anxious to have this looked into as soon as possible, and I mentioned that the other department ~~that~~ had already received copies, and Mr. Frost would like them to discuss it, and as I remember it the Attorney General's office later, I don't know how soon afterwards, advised me that since this was a matter of cancellation of charters being discussedwith the Provincial Secretary's office, they felt it should be handled directly through there, and I was in touch with Mr. Cudney, the Deputy Provincial Secretary, on a number of occasions, to see how matters were

- there was a further letter of warning from Tom Mc- Grath, on that unfortunate occasion, and all took some to year circumstances.

Q. It did, sir.

Q. And then, did you follow up the letter?

A. I did, sir.

Q. And briefly will you tell us what you did in that regard?

A. Well, then Mr. Stone got in the letter, he told me to take it up with the Assistant Commissioner, Mr Crawford Adamson and the Attorney General's, and I got in touch with Mr Adamson's opinion or the letter to Mr. Stone, and I told them that it was anxious to have this looked into as soon as possible, and I mentioned that the other department had already received copies of the letter to Mr. Stone, and I told them that it was anxious to have this looked into as soon as possible, and I mentioned that the other department had already received copies. and so, Stone would like them to choose it, and so I remember it the Attorney General's office later, I don't know but that afterwards, we thought that was a matter of consideration of counsel being discussed the provincial Government's action, they felt it should be handled directly through there, and I was in touch with Mr. Conroy, the Deputy Provincial Secretary, on a number of occasions, to see how matters were

proceeding. He told me that he had the copy of the letter when I first contacted him, that he was looking into it, and soon after that he advised me that he was checking into the memberships of the club, to see that they were really bona fide members; and sometime, I think it would be about December by now, he told me that he had got some of this information, and that he was going to try to arrange a discussion with the Attorney General's Office as soon as possible, and I believe in toward the end of December he, on another occasion when I phoned him, he told me that the matter had come up of clubs generally and that, the - that the whole matter would be looked into, rather than one specific one; so I believe the meeting was held sometime in - in January of 1960, and soon after that he advised me that it had been decided that the charter should be cancelled and that the - that they would be advised, and I don't recall how soon afterwards I was advised that the club had appealed, or asked for a hearing, as is their right, I believe, under the legislation, and that the hearing would be held sometime in February, and I know that there was - recall hearing that there was some delay occasioned by the fact that they couldn't get the transcript of the - one of the hearings and they couldn't come to any decision till they got this transcript.

presently. In this so that is why you see in the letter when I first mentioned him, that he was having tell it, not been after he replied or that he was thinking just the necessary arrangements. It was that they were really then (the secretary) and somehow, I didn't is would be about lessened by now, in fact he had got some of this information, and that he was going to try to arrange a discussion with the Attorney General's office in spite of possibly, and I believe he would try and if because he, he Minister Lockhart and I pushed them, he said he thought the matter had come up of course generally and then, the - that the whole matter would be based info. Other the qualifying one; so I believe the meeting was held somewhere in - in January of 1960, and soon after that he mentioned to me that it had been decided that the charter would be amended and that the - that they would be advised. and I don't recall how soon afterwards I was advised that the city had agreed, or asked for a hearing, so in that right, I believe, under the legislation, and that the hearing would be held somewhere in February, and I know that there was - recall hearing that there was some delay occasioned by the fact that they couldn't get the transcript of the - one of the hearings and they couldn't come to any decision till they got this transcript.

Q. You mean you were following it up?

A. I was following it up, yes, fromtime to time.

Q. And these conferences, or discussions, you had with Mr. Cudney, I take it were mainly - -

A. All over the phone.

Q. All over the phone?

A. That is right. I was just keeping myself informed in case I would be asked by Mr. Frost as to how matters were proceeding.

Q. And then you say there has been - there was some delay in obtaining the transcript of the hearings?

A. Yes.

Q. And then what happened finally?

A. Well, then, I believe by the time that they got the transcript there was a change of Minister in the Department, and it had to be taken up with the new Minister, and I believe almost immediately the order was issued for the cancellation of the charter.

MR. WILSON: Thank you.

THE COMMISSIONER: Any questions?

MR. MacKINNON: Yes, please.

EXAMINED BY MR. MacKINNON:

Q. Have you got that file that I had a look at, please?

A. Yes.

Q. Thank you. In November, 1959, was that the first time you had ever heard of this particular club?

A. Yes, it was, that I can recall.

Q. You can recall what?

A. I say this is the first time that I ever can recall having heard of it.

Q. I see. And you then stated it was turned over to you, and you brought it to the Attorney General's Department?

A. Yes, and the Provincial Secretary's.

Q. Whom did you see in the Attorney General's Department?

A. I believe I discussed it over the phone with Mr. Nicol, the executive assistant.

Q. The executive assistant to the Attorney General?

A. Yes.

Q. And then did he call you back?

A. Yes.

Q. He was going to speak to the Attorney General, was that it?

A. Presumably. I just forget the

Examined by Mr. Blackwell:

Q. Have you got back like that I had a look at, please?

A. Yes.

Q. Then yes. In December, 1923, was that the first time you had ever heard of this particular claim?

A. Yes, it was, that I can recall.

Q. But not definitely?

A. I say this is the first time that I ever can recall having heard of it.

Q. I see. And you then system it was turned over to you, and you brought it to the attorney general's department?

A. Yes, our provincial Secretary's.

Q. When did you see in the attorney general's department?

A. I believe I discussed it over the phone with Mr. Hall. He mentioned Brazeau

Q. The executive assistant to the Attorney General?

A. Yes.

Q. And then did he call you back?

A. Yes.

Q. He was going to speak to the Attorney General, was that the

A. Presumably. I just relayed the

details of it. I presumed that he was going to.

Q. And they were quite familiar with this club, I suggest?

A. Well, I - - -

THE COMMISSIONER: Do you know?

A. No, I don't.

MR. MacKINNON: Well, from your conversations, Mr. Commissioner, that is what I am asking, they indicated that they knew.

THE COMMISSIONER: Who is they?

MR. MacKINNON: People he was talking to. He is - -

THE COMMISSIONER: He said he talked to Nicol.

MR. MacKINNON: And someone called you back?

A. Yes.

Q. And who was it?

A. Mr. Nicol.

Q. Yes. And did you have any further conversations with the Attorney General's Department? You indicated you did?

A. Not after he advised me that since this was a matter of cancellation of the charter that they thought it should be handled through the Provincial Secretary's.

Q. What did you say his name was?

A. Mr. Arthur Nicol.

Q. And did he ~~xxxxxxxxx~~ at that

time indicate to you that Mr. Roberts was familiar with this club?

A. I believe he told me that they had already got a copy of the letter that had gone to Mr. Frost.

Q. Did he indicate to you that Mr. Roberts had spoken to the Provincial Secretary about it?

A. Yes, I believe that he did.

Q. Yes?

A. That they had had a discussion.

Q. And rather than being for the Attorney General's Department, it was for the Provincial Secretary to look after?

A. Yes, since it was a cancellation they were handled through the Provincial Secretary.

Q. And then I understood you to say there was a meeting in January that you were advised of, is that correct, about the end of December, when the matter of clubs were to come up generally, and that there was a meeting sometime in January?

A. Yes.

Q. Now - -

A. I was advised that there would be one.

Q. Who was going to have this meeting, and discuss clubs?

A. I believe the people in the

time indicate to you that Mr. Moscoso was familiar with that club?

A. I believe he told me that they had already got a copy of the letter that had gone to Mr. Evans.

Q. Did he indicate to you that Mr. Moscoso had spoken to the Provincial Secretary about it?

A. Yes, I believe that he did.

Q. Yes?

A. That they had had a discussion.

Q. And whether been being for the Attorney General's approval, it was for the Provincial Secretary to act or?

A. Yes, since it was a communication they wanted to through the Provincial Secretary.

Q. And then I understood you to say there was a meeting in January that you were advised of, in that country, since the end of December, when the matter of clubs were to come up generally, and then there was a meeting question in January?

A. Yes.

Q. Yes --

Q. I was advised that that would be done.

Q. Who was going to have this meeting, and discuss it?

A. I believe the people in the

Provincial Secretary's office.

Q. I see.

A. And the people in the Attorney General's office. I don't think I ever inquired as to exactly - -

Q. You don't know who was involved?

A. - - exactly as to who would be involved.

Q. And they were going to deal with clubs generally, rather than this particular club exclusively, was that your understanding?

A. I think that was my understanding at one point.

Q. Were you advised that before the order could be made they required the transcript?

A. I believe I was told that this would be sometime after the hearing was held that the - I will use my own words, that the final order could not be arranged until they had the transcript of evidence to go over.

Q. And who told you that?

A. I believe it would be Mr. Cudney.

Q. I see, and were you advised as to why a transcript was necessary before a judgment, so to speak, could be rendered?

A. No, I don't - I don't recall having been advised.

Q. I understood you to say that before the hearing they had advised you that they were going tocancel this charter?

A. Yes, that this - this would be after the meeting in - -

Q. In January?

A. In January.

Q. Yes, and before the hearing?

A. Yes, that they were going to cancel the charter.

THE COMMISSIONER: Well, that is the procedure, isn't it? That they notify the Corporation that the charter will be - liable to be cancelled, and the Corporation has an opportunity tocome forward.

MR. MacKINNON: Of making representations.

THE COMMISSIONER: And say what they want to say about it.

MR. MacKINNON: These pictures in your file, were those forwarded with Chief McGill's letter to Premier Frost?

A. Yes, they came to the - they came with the letter that was sent to Mr. Frost.

Q. He then sent these pictures to Mr. Frost, then?

A. Yes.

Q. Is that correct?

Q. I understand you to say that before the meeting that Mr. Kennedy had been
The most young Tennessee Gill (Smiley)
A. [illegible] - [illegible]
on Arthur was meeting in -
Q. In Kennedy?
A. In Kennedy.
Q. They are calling the Hartford
Q. Did that [illegible] pretty in
[illegible] Mr. [illegible].
THE CONSTITUTIONALIST: Will that be
the [illegible] Mr. [illegible] Have been [illegible]
the [illegible] that the [illegible] will be -
[illegible] to be concealed, and the [illegible]
[illegible] [illegible] [illegible].
MR. MCALLISTER: Of a [illegible]
[illegible].
THE [illegible]: [illegible]
[illegible] to say about it.
MR. [illegible]: [illegible]
[illegible], [illegible] [illegible] [illegible]
[illegible] [illegible] [illegible].
A. Yes, they came in the -
they [illegible] the letter that was [illegible] to
[illegible].
Q. Do you [illegible] [illegible]
[illegible] [illegible]?
A. Yes.
Q. Is that correct?

A. He did.

Q. And those are pictures ostensibly of this club?

A. Yes.

Q. Thank you.

A. Thank you.

THE COMMISSIONER: Thank you. Any questions, Mr. Brewin?

MR. BREWIN: No questions.

THE COMMISSIONER: That is all, thank you.

---The witness withdrew.

MR. WILSON: I will call Mr. - -

THE COMMISSIONER: We will adjourn until 2:15. It is ten minutes to one now.

---Whereupon the hearing adjourned at 12:52 p.m.

(Page 875 follows)

A. No sir.

Q. And there are placards

customarily of this class?

A. Yes.

Q. Thank you.

A. Thank you.

THE CROSS-EXAMINER: Thank you. Any questions, Mr. Dowlin?

Q. [illegible] No questions.

THE CONDUCTOR: That is all, thank you.

--The witness withdrew.

MR. WILSON: I will call Mr. - -

THE CONDUCTOR: Mr. Hill [illegible]

--Hill Grip. It is ten minutes to one now.

--Whereupon the hearing adjourned at 12:50 p.m.

(Time 12:50 p.m.)

--- On resuming at 2.20 o'clock P.M.

C.A.Thompson, Q.C. appeared for the Royal Bank of Canada

MR. WILSON: I will call Mr. Lowe.

GEORGE ERNEST LOWE, Sworn

EXAMINED BY MR. WILSON:

Q. You are the manager of the Royal Bank, Brampton?

A. Yes, sir.

Q. I have asked you to produce certain bank accounts of Mr. and Mrs. Cyril Clark. The one I particularly want you to produce at the moment is the current account. That account that you are now producing is in the name of whom?

A. N.M. and Cyril Clark.

Q. And it covers what period?

A. From November 1, 1957, until 27th March, 1962.

THE COMMISSIONER: Q. November 1, what?

A. '57, sir.

Q. To when?

A. March 27, 1962.

MR. WILSON: I am content, Mr. Commissioner, subject to your ruling, to file a photostat of that which has been

--- On morning at 1:30 o'clock P.M.

C.A. Thompson, S.C. appeared for the Royal Bank of Canada

W. Gibbons, K.C. and Mr. Jones

[illegible]

[illegible]

[illegible]

Q. Was the Bank manager of the Royal Bank, Brampton?

A. Yes, sir.

Q. I have asked you to produce certain pass messages of Mr. and Mrs. Lyall Clare. The one I particularly want you to produce at the moment is the current account. Just account that you are now producing is in the name of Mrary

A. R.M. and Lyall Clark.

Q. And it shows what payment

A. Some December 1, 1921 until the month 1924.

[illegible] Commissioner Q. December 1, where

A. 'Yes, sir.

Q. To where

A. March 27, 1924.

Mr. GIBBONS: I am instructed, Mr. Commissioner, subject to your ruling, to file a photostat of that motion has been

provided.

MR. THOMPSON: I am appearing for the Royal Bank, my lord.

THE COMMISSIONER: Exhibit 39.

--- EXHIBIT NO. 39: Photostat copy of current account cards of R.M. and Cyril Clark in the Royal Bank of Canada, Brampton Branch, from 1st November, 1957, to 27th March, 1962.

MR. WILSON: Mr. Commissioner, my assistants have examined the other bank accounts which have been brought here today by Mr. Lowe, and also the cheques. I think the copy of the current account which we have filed is the only one which could be of any possible interest to this Commission.

There are, however, three cheques drawn on the current account which I would ask the witness to identify and give us the particulars of them.

THE COMMISSIONER: Take them in order of date, Mr. Wilson.

MR. WILSON: Yes.

A. The first cheque is dated February 5th, '60. It is for $500, payable to cash.

Q. And drawn on what account?

A. Drawn on the Royal Bank, Brampton, Mr. Cyril Clark's current account.

Q. The particulars of which we have just placed in evidence as an exhibit?

A. Yes, sir.

Q. And what are the particulars on the back of that cheque, as to what disposition was made?

A. This cheque was negotiated by, it would appear to be, an R. Dunn, D-u-n-n. That may not be the right name; I do not know. It was negotiated at the Imperial Bank on February 8th - that is, the Imperial Bank, Bloor -- Well, in the Kingsway, anyway. The bank stamp is not too clear. It was cleared through to ourselves and paid by the Royal Bank on February 11th.

Q. Can you give us similar particulars with regard to the other two cheques?

A. The second cheque is for $400 dated March 20th, '60, payable to cash and signed by Mr. Cyril Clark. And it was negotiated by Mr. G. Reid, it would appear.

THE COMMISSIONER: Q. R-e-i-d?

A. R-e-i-d.

Q. Where?

A. I think it is the Imperial Bank, Bloor and Willingdon, Kingsway.

Q. Willingdon?

A. W-i-l-l-i-n-g-d-o-n. Is that

6. The particulars of which, as have been placed in evidence on examination.

7. [illegible]

8. And that are the [illegible] on the [illegible] of this [illegible] disqualified who [illegible]

9. This [illegible] [illegible] by, it would appear to be, as I, [illegible]

[illegible] That [illegible] [illegible] I do not know. It was [illegible] as the [illegible] [illegible] the Imperial Bank, Silver — [illegible]. In the [illegible], [illegible], [illegible] [illegible] the [illegible]. It was [illegible] [illegible] [illegible] and [illegible] the [illegible] [illegible] [illegible].

10. The [illegible] [illegible] particulars with regard to the [illegible] [illegible] [illegible].

11. The second charge is that [illegible] [illegible] Earth Corp., "Co", [illegible] to [illegible] and signed by Mr. Cyril Clare. And it was negotiated by Mr. [illegible], [illegible] [illegible].

The [illegible]: [illegible] [illegible]

A. [illegible]

Q. Money

A. I think it is the Imperial Bank, Silver and [illegible], [illegible].

Q. [illegible]

A. [illegible], [illegible]

sufficient for that cheque?

MR. WILSON: Q. Yes. That, too, went through this same current account?

A. Yes, it went through the current account, sir. The third cheque is dated April 11th, '60. It is for $500, payable to cash, signed by Mr. Cyril Clark and negotiated -- drawn, I should say, on his current account. It is endorsed by G. Reid again, it would appear. R-e-i-d, I believe is the spelling of the signature.

THE COMMISSIONER: Q. The same Imperial Bank branch?

A. Yes, it was cashed on the same bank branch again, on the 12th of April, and negotiated through our bank on the 16th.

THE COMMISSIONER: Mark these as Exhibit 40 (a), (b) and (c).

--- EXHIBIT NO. 40(a): Cheque dated 5th February 1960, in the amount of $500, payable to cash, signed by Cyril Clark.

--- EXHIBIT NO. 40(b): Cheque dated 20th March, 1960, in the amount of $400, payable to cash, signed by Cyril Clark.

--- EXHIBIT NO. 40(c): Cheque dated 11th April, 1960, in the amount of $500, payable to cash, signed by Cyril Clark

MR. WILSON: Q. The signatures on the second and third cheque appear to be the same signature?

[illegible]

[illegible]

[illegible]

A. I am no handwriting expert and I didn't examine them, but I would be glad to compare them.

MR.WILSON: That is all I want of this witness.

THE COMMISSIONER: Any questions, Mr. MacKinnon?

MR. MACKINNON: I wonder if I might have a look at the exhibits for just a minute. The dates interest me in view of yesterday's evidence, Mr. Commissioner.

EXAMINED BY MR. MacKINNON:

Q. Now, this cheque which is Exhibit 40(a), could that be R. Denn? It looks more like an "a" than a "u", doesn't it?

A. It could be anything, to tell the truth.

MR. MacKINNON: Thank you, Mr. Commissioner.

I think maybe I should draw your attention to the fact that you will remember Mr. Clark yesterday said, after he had spoken to Mr. Speck about giving information on raids, he no longer attended at the Club and that was in January, 1960. These chqques are dated much later than that.

George Reid, of course, would be a

A. I do do something, sqare and I don't remember when, but I would be glad to consider that.

MR. MILLER: That is all I have of this witness.

THE PRESIDENT: Any questions by Commissioner?

COL. MACDONALD: I wonder if I might have a look at the exhibits for just a minute. The other Commissioner is with the President's Commission, the Commissioner.

Cross-Examination by Commissioner

Q. Now, will those exhibits in Section 10(a), would that be Mr. Gray? Is Jonie more like an "a" than a "u", Jonie's life?

A. It could be anything, we call it [illegible] name.

COL. MACDONALD: Thank you, Mr. Commissioner.

I think maybe I should draw your attention to the fact that you will remember Mr. Clark yesterday said, after he had spoken to me, "Speak about giving information on crime, he no longer attended at the Club and that was in January, 1977." These charges are based much later than that.

George Reid, of course, would be a

familiar name in connection with this Club.

THE COMMISSIONER: Any questions, Mr. Brewin?

MR. BREWIN: No, my lord.

THE COMMISSIONER: Q. That is all, thank you, Mr. Lowe.

A. Thank you.

--- The witness withdraws.

MR. WILSON: I will call Mr. Jack Stewart.

THE COMMISSIONER: Just a moment. You are going to get Cyril Clark back later, aren't you?

MR. WILSON: Yes, right after this witness.

JOHN STEWART, Sworn

EXAMINED BY MR. WILSON:

Q. You are an accountant?

A. Yes.

Q. And where do you carry on your profession?

A. In Bolton.

THE COMMISSIONER: Q. Where?

A. Bolton, Ontario.

MR. WILSON: Q. You have done certain work for Mr. Cyril Clark?

A. Yes, I have.

Q. And you were asked to produce, and did produce, his income tax returns for the years 1958, 1959 and 1960?

A. Yes.

Q. And in those returns did you include certain winnings on gambling?

AA2 A. There was moneys included in these returns. In the 1960 return there was a sum of $3,000 which was designated as a commission on land sale. I completed my calculations from his records and there wasn't sufficient income to cover the money apparently in his bank account.

THE COMMISSIONER: Q. Speak louder. The 1960 returns prepared by whom?

A. By myself.

Q. Were designated what?

A. There was a sum of $3,000 designated as commission on land sale. I asked Mr.Clark --

Q. Just a moment. Yes?

A. I asked Mr. Clark where the money came from and he said it was money he won gambling and he said he didn't want to put it on his tax return as such.

Q. Yes.

A. The years 1958 and '59, the same situation existed, to a degree.

Q. What do you mean "the same situation"?

A. Well, when I completed the return from his farm records it was obvious there was money received from some other source than from the farm and, in those years, I adjusted the income from the sale of livestock to compensate for the amount of income that was apparent to me.

Q. You adjusted it to what?

A. To show a sufficient amount, amount of additional income.

Q. From where?

A. He said it was from gambling.

Q. Was it so shown?

A. Not as such.

Q. In the return?

A. No.

Q. I do not quite follow you.

A. It was increased. His farm

A. Have you a period [illegible]

[illegible] on

[illegible] scale. I served Mr. Frank --

[illegible] and a [illegible]. Then

A. I asked Mr. Jones where the

empty cases from and he said it was about

to been emptying and he asked me [illegible]

to pick it on this car return as such.

Q. Yes.

A. The cases [illegible] and [illegible],

some [illegible] exhausted, to a degree.

Q. What do you mean "the same

exhausted"?

A. Well, when I compared the

[illegible] the day [illegible] it was [illegible]

[illegible] my recollect [illegible] [illegible]

[illegible] from the farm and, in those

cases, I deducted the income from the sale

of [illegible] to compensate for the amount

of [illegible] that was [illegible] on me.

Q. You allowed it to work?

A. To allow a sufficient amount,

amount of additional income.

Q. Then [illegible]?

A. No [illegible] it was from [illegible].

Q. Was it so [illegible]?

A. Not as much.

Q. In the [illegible]?

A. Yes.

Q. I do not guess follow you.

A. [illegible] [illegible] [illegible] [illegible]

records showed --

Q. I suppose he brought you certain farm records, did he?

A. Yes.

Q. And they showed a certain income?

A. That is right.

Q. Then, by reference to some other record you found the income was greater?

A. By reference to his farm records, bank records, reductions in his liabilities, increases in his assets, it was apparent there was more income than the farm records showed, which I asked him about it, and he said it was from gambling and he didn't want it designated as such on his tax return, which I believe is understandable.

Q. So, when the return went in it was shown as what?

A. It was included in his sales of livestock.

Q. Yes.

MR. WILSON: Q. Now, what were the totals of the adjustments made in that way in the years 1958 and '59?

A. I couldn't recall from memory exactly what they were. If I had some time --

Q. Approximately what would they be?

A. It would be nothing more than

records showed --

Q. I present to counsel you

attorney fees exceeds, yes, but

A. Yes.

Q. And they showed a certain

profit

A. That is right.

Q. Then, by reference to some

other records you have been now looking

A. By reference to the fees

records, back records, indicating in the

limitation. Sometimes in six months, it

was apparent there was more income than the

fees records showed, which I found also

so, and he said it was from reselling and he

didn't want it designated as such on his tax

return, which I believed to be reprehensible.

Q. So, when the return went in

it was shown as wheat?

A. It was included in his sales

of livestock.

Q. Yes.

MR. WILSON: Q. Now, what were the

costs of the adjustments made in that way

in the years 1920 and '22?

A. I actually should give exactly

exactly what they were. If I had some time --

Q. Approximately, as I said they

did?

A. It would be nothing more than

a guess. It might have been a thousand, two thousand, three thousand dollars, and that is nothing more than a guess because I haven't had reference to the records for two years, or three.

Q. That is all, thank you.

THE COMMISSIONER: Mr. MacKinnon?

EXAMINED BY MR. MacKINNON:

Q. You haven't any records in your possession?

A. No.

THE COMMISSIONER: Mr. Brewin?

MR. BREWIN: No questions.

THE COMMISSIONER: Q. That is all, thank you.

--- The witness withdraws

MR. WILSON: I will recall Mr. Cyril Clark.

CYRIL CLARK, Recalled

THE COMMISSIONER: Mr. Clark, you are still under oath.

A. Yes, sir.

EXAMINED BY MR. WILSON:

Q. I show to you three cheques that have been filed here as Exhibit 40. Now, first of all, the first one in order of date is endorsed by R. Dunn or R. Dann?

A. Your Honour, I think I told you yesterday I didn't -- I couldn't make out the names.

Q. Was he a person that was a frequenter of the Centre Road Veterans Club?

A. I didn't know him.

Q. You did not know him?

A. No.

Q. Look at the one of March 20, which is endorsed by G. Reid. Who was he?

A. I didn't know him, either.

Q. Had you ever seen him around the Club?

A. No, I didn't, not to know him as a person, not by name.

Q. Look at the third one. You will find, again, it is G. Reid?

CROSS-EXAMINATION (Continued)

THE COMMISSIONER: Mr. Clark, you are just a lone wolf.

A. Yes, sir.

Examined by Mr. Stevens:

Q. I have in my hand document which has been given Exhibit 2000-A. Now, first of all, who first came to notice of this is evidenced by G. Lunn or G. Smart?

A. Your Honour, I think I told you yesterday I didn't -- I couldn't recall who the lawyer.

Q. Had he a number that was a [illegible] of the Sunny Hand Vitamins [illegible]

A. I didn't know him.

Q. You did not know him?

A. No.

Q. Look at the one of March 20, which is evidenced by G. Field. Who was he?

A. I didn't know him, either.

Q. Had you ever seen him around the Club?

A. No, I didn't, nor to know him as a person, had my name.

Q. Look at the other one. You will find, again, it is G. Smart.

A. Hm-hmm. Is that the April one?

Q. Yes, that is April 11th.

A. Hm-hmm.

Q. Now, tell us exactly how you would get those cheques cashed at the Club. Who would you go to?

THE COMMISSIONER: Q. First, of all, do you identify those as cheques issued by you at the Club?

A. Yes.

Q. And did you get money for them or pay a debt?

A. Well, might I answer: If I went into the Club and I was short of money I could get up to $500, and if I lost, I gave a cheque; if I won, I paid the money back.

Q. I do not quite follow that.

A. If I won I didn't need to give a cheque.

Q. I see. That is, they trusted you while you were still playing?

A. That is right.

Q. And these three were issued by you at the Club?

A. That is right.

MR. WILSON: Q. Who did you negotiate this financial deal with in the Club, who would you go to?

A. Mr. Peeley.

A. Because. Is that not legal?

Q. Yes, that is legal.

A. Because.

Q. Now, that is exactly the way you would get these checques issued at the Club. Who would you go to?

THE CHAIRMAN: Q. Yours, if all, is your identify those as cheques issued by you at the Club?

A. Yes.

Q. And did you get money for them at the Club?

A. Well, might I answer: If I went into the Club and I was short of money I would get up to $300, and if I lose, I have a cheque; if I won, I paid the money back.

Q. I do not quite follow that.

A. If I won I didn't need to give a cheque.

Q. I see. That is, they trusted you while you were still playing?

A. That is right.

Q. And these three were issued by you at the Club?

A. That is right.

MR. MILLER: Q. Who did you negotiate this financial deal with in the Club, who would you go to?

A. Mr. [illegible].

Q. Mr. Feeley?

A. Yes.

Q. In each case so far as these three cheques are concerned, would you go to Mr. Vincent Feeley?

A. He made the cheques out.

Q. He actually made them up?

A. That is right.

Q. And you signed them?

A. That is all I can do, I am sorry to say, your Honour, with a pen. That is all I could do is sign my name.

Q. So, at any time you were having a run of bad luck and needed a little more money or you had to pay a debt at the end of the evening, you would go to Vincent Feeley and sign a cheque for the amount?

A. For the amount of money that I asked for.

THE COMMISSIONER: Just a moment.

Q. Can you neither read nor write?

A. I can read but I can only sign my name.

MR. WILSON: Q. After the Centre Road Club closed, which would be around June of 1960, where -- What gambling clubs did you go to to shoot craps?

A. None.

Q. Have you -- Are you sure of that?

A. That is right.

Q. Mr. Perlman?

A. Yes.

Q. In such case as you as three [illegible] and [illegible], would you [illegible]

Mr. Wallace Perlman:

A. [illegible]

Q. [illegible]

A. That is right.

Q. And you signed them?

A. That is all I can do, I am sorry to say, your Honour, with a pen. That is all I could do is sign my name.

Q. So, at any time you were having a run of bad luck and needed a little more money or you had to pay a loan at the end of the evening, you would go to Vincent Perlman and sign a cheque for the amount?

A. For the amount of money that I asked for.

Mr. Christopher: Just a moment.

Q. Can you neither read nor write?

A. I can read but I can only sign my name.

Q. Counsel E. Alias the [illegible] then signed, which would be around June of 1980, more -- that gambling cheque did you go to to cash cheque?

A. [illegible]

Q. Have you -- Are you sure of that?

A. That is right.

Q. Have you ever been to a Club or a place in Guelph since that time where you have shot craps?

A. To a party, yes.

Q. Where was the party?

A. At a dinner, $25 dinner held by the Lions.

Q. By the Lions?

A. Yes, and they had a game upstairs.

THE COMMISSIONER: Q. Where, at Guelph?

A. Yes, in the hotel.

MR. WILSON: Q. Is that the only place you have played since June of 1960?

A. Oh, I have had little fade games at different parties.

Q. Not bank games?

A. No.

Q. You have been in no bank games since June of 1960, apart from this one in Guelph?

THE COMMISSIONER: He did not say it was a bank game.

THE WITNESS: Fade game.

MR. WILSON: Q. But no bank games since June of 1960?

A. No, I haven't.

Q. That is all, thank you.

Q. Have you ever been to a dinner or party, or perhaps some other place, you have seen Judge Clark?

A. Oh, I don't know.

Q. Where was the party?

A. At a dinner, [illegible] Jackson by the Jackson.

Q. By the Jackson?

A. Yes, and then [illegible] at some [illegible].

THE CONSTABLE: G. Jones, at Brooklyn?

A. Yes, in the house.

MR. WILSON: Q. Is that the only time you have seen Judge Clark at dinner?

A. Oh, I have had little Judge Clark at different parties.

Q. At home [illegible]?

A. No.

Q. You have been to no beer gardens where Judge Clark, aside from this one in [illegible]?

THE CONSTABLE: He did not say he was a beer garden.

THE WITNESS: Beer garden.

MR. WILSON: Q. But no beer gardens [illegible] Judge Clark?

A. No, I haven't.

Q. That is all, thank you.

EXAMINED BY MR. MacKINNON:

Q. Mr. Clark, you told us yesterday that after you had spoken to Reeve Speck and got the report of the police activities you no longer attended this Club. Isn't that correct?

A. Yes.

Q. That was not true, was it?

A. After I got the --

Q. That is right, Mr. Speck told us he spoke to you in January about this matter, January 1960?

A. No, I -- Might I ask that question again, please?

THE COMMISSIONER: He wants you to repeat the question.

MR. MacKINNON: Q. What I am asking you is: Did you not go back to this Club after you had spoken to Mr. Speck and he had advised you of his conversation with Chief McGill?

A. I might have, yes. I wouldn't know the dates.

AA3

Q. Why did you tell us yesterday you were concerned about these matters, you spoke to Reeve Speck, he reported back to you, and that, therefore, you then kept away from itbecause you did not want to be involved in case there was a Provincial

QUESTIONS BY MR. MACCHIARINI

Q. Mr. Clark, you just in response to questions that given you the impression of being quite good on the reasons of the police activities you in Ledger attorney this time. Have you memory?

A. Yes.

Q. Just was not true, was it?

A. After I got the --

Q. That is right, Mr. Clark, I am speaking to you in January about this matter, January 1960?

A. No, I -- Might I ask that question again, please?

THE CONSTABLE: He wants you to repeat the question.

Q. Specifically Q. What I am asking you is: Did you not go back to this Club where you had spoken to Mr. Sweck and he had assisted you of his conversation with Chief Bailey?

A. I might have, yes. I wouldn't know the Journal.

Q. Why did you call us yesterday when you testified about these matters, you spoke to Steve Sweck, he returned back to you, and that, therefore, you then kept away from interviews you did not want to be involved in case there was a provincial

Police raid?

A. When the police was there at the gate I kept away.

Q. You are now telling us you would go up to the Club and you would see the Police and you would turn back?

A. If I was in Toronto here and if the police was at the gate I wouldn't stop.

THE COMMISSIONER: Q. Are you talking of the time after Speck told you what McGill had said?

A. Your Honour, I couldn't say whether it was after or not. To be truthful I couldn't tell you whether it was after or not.

MR. MacKINNON: Q. Well, I thought -- correct me if I am wrong -- that this information was going to be of some significance to you, that you were going to stay away because you got certain information from Reeve Speck, and that was the sole purpose you received it?

A. For my own protection, I think I said.

Q. So you would stay away, and you said you stayed away from there on. Is that correct?

A. I don't know when I was there at the last time.

Q. Is that correct, they thought you were -- you stayed away after you received this information from Reeve Speck?

A. I -- Your Honour, to be honest, I don't know whether I was there after I got the information from Reeve Speck or not. I honestly can't tell you.

THE COMMISSIONER: Q. When did you get the information from Reeve Speck, do you remember?

A. Your Honour, I can't tell you. When I tell you that, your Honour, I am honest with you, I just can't tell you when I got the information.

MR. MacKINNON: Q. You advised us you had stopped going, in any event, quite a whilebefore this Club was out of business?

A. That is correct.

Q. And you know it was put out of business June 3rd, 1960?

A. No, I don't know what date it was put out of business.

Q. You were there at least --

THE COMMISSIONER: Mr. MacKinnon, Mr. Speck said that McGill had told him they were through with the raid.

THE WITNESS: Yes.

THE COMMISSIONER: Q. And that is the information you got?

A. That is right.

Q. Is that correct, they thought you been -- you stopped away after you received that information from Dave Clark?

A. I -- Your honor, to be honest, I don't know whether I was there after I got the information from Dave Clark or not. I honestly don't tell you.

Q. Do you remember if, when you received the information from Dave Clark, or you remember?

A. Now listen, I don't tell you. When I tell you that, your honor, I am honest with you. I just don't know the part I got the information.

Q. Mr. Hutchinson, I. Was advised on you last stopped going, in my report, that a warehouse this club was one of business?

A. That is correct.

Q. And you know it was put out of business then, do, Clark?

A. Yes, I don't know how it was put out of business.

Q. Did know known in least —

Mr. Hutchinson, Mr. Hutchinson, sir. There said that would had told him they were thinking about the call.

Mr. Hutchinson. Yes.

Q. And that is the conversation you had?

A. That is right.

Q. So, if you relied on that information you would not be afraid to go back to the Club?

A. That is right.

MR. MacKINNON: Q. Is that so, you were not afraid to go back to the Club?

A. If it wasn't going to be raided, as far as the information I got, I might have went. If the cheques shows, your Honour, I was there, why, then, I was there.

Q. So, you were there at least as late as April 11th, 1960. Is this correct?

A. If that is what the cheque shows, yes.

Q. That is the last cheque here?

A. Yes.

Q. Could you have been there later on than that?

A. I would say possibly that was the last night I was there.

Q. Thank you.

THE COMMISSIONER: Any questions?

MR. BREWIN: No questions, sir.

THE COMMISSIONER: Q. That is all, thank you, Mr. Clark.

A. Your Honour, may I be called again?

THE COMMISSIONER: Do you need Mr. Clark

any more?

MR. WILSON: I do not think so. I have no reason to call him this afternoon anyway.

THE COMMISSIONER: Q. If they want you again, they will let you know.

A. Your Honour, would it be right for me to make a statement before I go? May I have that privilege?

Q. Yes.

A. I would like to state that at no time did I ever have any part of the Cooksville Club, in the operation of any form and any tip-offs, or anything whatsoever, outside of going there to gamble.

Q. Yes.

A. Now, I would like that to be plain, that under no circumstances did I have anything whatsoever in the operation, either one way or theother. I have always led a clean life --

--- The witness breaks down.

Q. Take your time. I know it is very trying. You went there just to satisfy your desire to shoot craps?

A. That is right.

Q. Yes.

A. I have been Reeve for eight years and I was Warden of the County in '58 and at

only money?

MR. WILSON: I do not think so.

I have no reason to call into this proceeding anyone.

MR. CHAMBERLAIN: Q. It may not be the question they will ask you again.

A. That, though, might be in this sense that I may be more a stranger before I get one I mean that.

Q. Yes.

A. I would like to make that as clear as I have did I ever have any part of the Brockville Club, in the interest of and then are the liability, or anything connected, outside of being paid in public.

Q. Yes.

A. Now, I would like just to be plain, that under no circumstances did I have anything to do with it. I have always had a clear life --

-- The history speaks for.

Q. Some year from. I have to be very careful. You must frame just as exactly your answer as about wages

A. That is right.

Q. Yes.

A. I have been there for eight years and I was member of the Country in 1911 and so

home I am very highly respected. I have been elected every year and I increased my majority each year. I am just sorry that I have got mixed up in this, --

Q. Well, it is unfortunate, everybody will agree with that. If it is any consolation to you, there are a lot of people who like to shoot craps.

A. Well, --

Q. All right, thank you.

--- The witness withdraws.

MR. WILSON: I will call Mr. Cudney.

IN THE SUPREME COURT OF ONTARIO

BETWEEN:

KENNETH H. BROWN and JAMES T. GOW, Trustees, on behalf of themselves and all other Shareholders of Beleggings-Societeit, N.V., and the said BELEGGINGS-SOCIETEIT, N.V., as represented by the said Kenneth H. Brown and James T. Gow,

Plaintiffs,

- and -

BELEGGINGS-SOCIETEIT, N.V., as represented by W.H.J. de Boer and J.C.W.M. Huijsmans,

Defendants.

TRANSCRIPT OF ARGUMENT ON APPEAL

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ROYAL COMMISSION ON CRIME

Fri., March 30, 1962.

Pp. ...979.-.1193....

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- and -

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A/RJH/1

FRIDAY, MARCH 30, 1962

---Upon resuming at 10.05 a.m.

THE COMMISSIONER: Good morning, Mr. Cudney.

ROBERT JAMES CUDNEY, resumed the stand.

MR. WILSON: Mr. Commissioner, there is a matter which has been brought to my attention, and I thought I should bring it to your attention. Mr. Stanton Hogg gave a speech, which is reported in the Toronto Star, on April 17th, 1961. The heading is, "Three Groups Battle to Rule Metro Crime -- Ex Attorney".

THE COMMISSIONER: What is that?

MR. WILSON: "Three Groups Battle to Rule Metro Crime -- Ex Attorney", and it goes on to say:

"A former Toronto Crown Attorney "suggested Saturday crime syndicates "are able to operate in Ontario "because of pay-offs to some public "officials and police.

"Stanton Hogg, former assistant "Crown Attorney for York County, also "told the Ontario Liberal Association "Convention that at least three crime "syndicates were engaged in 'a life "and death struggle' for control of

"the criminal element in the Metro area.
"He later declined to name names.
"The former Crown Attorney said
"it was 'just common knowledge and
"common sense' that a portion of the
"vast profits of criminal gambling
"'should go to allay the eagerness of
"those charged with the maintenance
"of justice.'

"Mr. Hogg said the inter-gang
"war going on could not exist 'unless
"some one is not carrying out the
"task he is paid to do.'

"Top police officers of the
"highest integrity were being hampered
"in their duty, continued Mr. Hogg.
"'We have honest police whose hands
"are being tied behind their backs
"by the politicians', he remarked.

"Later the former Crown Attorney
"said his remarks were not directed
"at the higher echelons of the Metro
"Police Force. 'Chief James Mackey
"is a man of the highest integrity
"and ability who is doing a
"magnificent job,' said Mr. Hogg.

"'No doubt there is something
"wrong in the administration of
"justice,' . . . "

And then it goes on to another speaker.

But, Mr. Commissioner, Mr. Stanton Hogg is appearing here as an assistant counsel on behalf of the Liberal party. He has not come forward and given any evidence to me, as Commission counsel, and in view of the information contained in this article, undoubtedly I will ask him to go into the witness box at some stage in this inquiry, and tell this Commission of facts he has, to back up those statements.

MR. MacKINNON: Mr. Commissioner, this is a most extraordinary way of approaching this matter. Mr. Wilson did not even have the courtesy to mention this matter to me. I mentioned a number of matters in which his firm is involved, to him, not in open hearing, but in his office, but now it looks like a headline-seeking manoeuvre without even mentioning to me, he opens this morning by reading some excerpt from a newspaper, of which I have no knowledge, and which was not discussed with me, and then he -- I don't know what his purpose is. Is he suggesting that Mr. Hogg should withdraw? Has he discussed it with you, Mr. Commissioner, because he certainly has not raised it with me. I think this is a most improper and discourteous way of proceeding.

THE COMMISSIONER: What is your objection? Let us understand the situation, Mr. MacKinnon. Do you hold any brief for Mr. Hogg?

MR. MacKINNON: He is with me. He is my

assistant counsel, and assisting me, and he is proposing to examine Mr. Cudney.

THE COMMISSIONER: Yes.

MR. MacKINNON: This was the sharing of the work.

THE COMMISSIONER: There is nothing to prevent him doing that.

MR. MacKINNON: Yes, I know, but why couldn't Mr. Wilson have raised this with me in my chambers, so that we could have discussed it, and I could have understood what he was getting at, and what he is asking for, and if he wants Mr. Hogg to talk to him -- we certainly talked to Mr. Wilson, we have given him everything. Mr. Hogg has submitted to him -- it is an extraordinary way to proceed. We have tried to assist.

THE COMMISSIONER: What do you want me to do about it?

MR. MacKINNON: I am wondering what Mr. Wilson wants to do about it.

THE COMMISSIONER: He has raised it to me, because he wants to let Mr. Hogg know, at least I assume that is the reason he proposes to call him as a witness.

MR. MacKINNON: Couldn't he have let me know in his chambers?

THE COMMISSIONER: You had better ask Mr. Wilson that.

MR. MacKINNON: I think I know the reason for it, sir, it is most discourteous.

MR. WILSON: Now, my learned friend, Mr. MacKinnon, said some matters "affecting my firm". Now, the only reference to my firm that I have run across in any document that I have read is the relationship as a solicitor of a former partner some ten years ago, a former partner of mine, some ten years ago, with regard to one of the clubs that has been mentioned here.

MR. MacKINNON: About four years ago, I believe. I believe it is five years ago.

MR. WILSON: And ---

THE COMMISSIONER: Surely now I have got enough to do without going into the relationship of this firm, of that firm of solicitors.

MR. MacKINNON: I would have thought so.

MR. WILSON: I would be very happy to have that former partner called, and deal with his relationship with that club, if my friend thinks there is anything improper.

MR. MacKINNON: It was not only the club, but Mr. Eric Craddock mentioned in the speech -- as I advised you, Mr. Wilson's firm acts for Eric Craddock.

MR. WILSON: Years ago that might have been.

MR. BREWIN: I offer my services as conciliator between my learned friends.

THE COMMISSIONER: Thank you, Mr. Brewin.

MR. BREWIN: I think that if we can get together these problems can be sorted out.

THE COMMISSIONER: Let us get on with to-day's business.

MR. WILSON: We are back now to Mr. Cudney.

EXAMINATION BY MR. WILSON CONT'D:

Q. Now, Mr. Cudney, you have produced here copies of certain returns, and I take it these are copies of the returns that were filed by the Army, Navy and Airforce Veterans in Canada?

A. Yes, they are the annual returns filed by Army, Navy and Airforce Veterans in Canada, for the years 1951 to 1961. I did an analysis, or had an analysis done.

THE COMMISSIONER: Let us get a shorter name for that -- Airforce what?

A. Army, Navy and Airforce Veterans in Canada.

MR. MacKINNON: How about the Vets Club, sir?

THE COMMISSIONER: Army, Navy and Airforce Veterans Association?

A. Just Veterans of Canada.

THE COMMISSIONER: Mr. Wilson, there was some reference yesterday to some private Act of Parliament incorporating this Association, or whatever they call it. Could you ---

MR. WILSON: Yes, I intend to obtain a copy of that private Act.

THE WITNESS: I think, Mr. Wilson, I will just take a look, we may have the private Act on the file. They have a licence, and there may be a copy of the Act. Yes, we have a copy of the Act.

THE COMMISSIONER: You have a copy of the Act?

A. Yes.

THE COMMISSIONER: Thank you, Mr. Cudney. Perhaps we can put that in as an exhibit.

MR. WILSON: Yes, sir.

THE COMMISSIONER: We will get it later, Mr. Wilson can. What were you saying?

THE WITNESS: Well ——

N/2 MR. WILSON: I thought we would put in one copy of one of these returns as the sample of the type of returns they get, and I have chosen the one as of March the 31st, 1957.

THE WITNESS: I may say, my lord, we have an analysis done of the returns for the last ten years, and inquiries made yesterday as to whether any of these returns related to the unit at Cooksville, and the unit at Windsor, and it only shows the directors, but the closest directors live at Simcoe and Hamilton, in the last ten years the directors are pretty well right across Canada.

THE COMMISSIONER: The 1957 return, yes.

Mr. STANLEY: Then I intend to obtain a copy of this pictures and.

THE PRESIDENT: I think, Mr. Manners, I shall just take a look, so may have the pictures put on the film. They have a lighter, and show me a copy of the set. Yes, we have a copy of the film.

THE CONSTABLE: Can land a copy of the film

A. Yes.

THE PRESIDENT: Thank you, Mr. Stanley, perhaps we can get some lighter on the table.

Mr. Stanley: Yes, sir.

THE CONSTABLE: We will get it lower, sir. Please can. Where were you sitting?

THE WITNESS: Well ——

Mr. Stanley: I thought we might get in the copy of one of those motions on the margin of the type of returns they get, and I have chosen the one on my left the 1st, 1957.

THE WITNESS: I may say, my lord, we have no contrary view of the reasons for the 1st ten years, and experience does particular on so another day of these returns received in the mail at Greenville, and the mail at Kingston, and it only woman the Greenville, but the returns Greenville's live at Kingston and Pembroke. In the 1st ten years the Greenville are merely mail sides between Canada.

THE CONSTABLE: The 1957 returns, yes.

Mr. Wilson, what is the date again?

MR. WILSON: Yes, the return is as of March 31st, 1957.

---EXHIBIT NO. 55: Return filed by The Army, Navy and Airforce Veterans in Canada, as of March 31, 1957.

MR. WILSON: And we will now ---

THE WITNESS: There may have been a ---

MR. WILSON: The witness is now producing a booklet which contains a copy of the Army, Navy and Airforce Veterans in Canada Act of Incorporation 7-8 George V, Chap. 70, assented to 20th September, 1917, and amended 31st of August, 1946. The booklet also contains the by-laws, rules and constitution of the Association. That will be Exhibit No. 56.

THE COMMISSIONER: Yes, 56.

---EXHIBIT NO. 56: Booklet of Army, Navy and Airforce Veterans in Canada, headed Act of Incorporation, By-laws, Rules and Constitution of the Association, amended to 2nd September, 1946.

MR. WILSON: Now, at the adjournment yesterday, I had asked you to get the information as far as your Department is concerned, in respect of the three Veterans Clubs?

A. Yes, sir.

(Page 995 follows)

Q. Wilson, does the rule apply

MR. WILSON: Yes, the return is as of March 31st, 1957.

---Exhibit No. 70: Return filed by The Army, Navy and Airforce Veterans in Canada, as of March 31, 1957.

MR. WILSON: And we will now ---

THE WITNESS: There may have been a ---

MR. WILSON: The witness is now producing a booklet which contains a copy of the Army, Navy and Airforce Veterans in Canada Act of Incorporation 7-8 George V, Chap. 70, amended to 20th September, 1917, and amended 31st of August, 1945. The witness also produces the by-laws, rules and constitution of the Association. That will be Exhibit No. 56.

THE COMMISSIONER: Yes, 56.

---Exhibit No. 56: Booklet of Army, Navy and Airforce Veterans in Canada, headed Act of Incorporation, By-laws, Rules and Constitution of the Association, amended to 2nd September, 1946.

MR. WILSON: Now, at the adjournment yesterday I had asked you to get the information as far as your Department is concerned, in respect of the three Thomas Diary.

A. Yes, sir.

(Page 295 follows)

B/1/GS

MR. WILSON: And could we have Exhibit - what was it, 14? Exhibit 11 A,B,and C. Now, will you just show those to the witness, please. Just so that we will be clear as to the clubs we are dealing with, I am showing you those exhibits and they are the Letters Patent issued to the Centre Roads Veterans Association, the Roseland Veterans Association, and the Frontier Veterans Association, and I believe that Charters were issued to those clubs by your department all on the same day?

THE WITNESS: Mr. Wilson, I have here the certified copy of the Letters Patent, my lord, of the Frontier Veterans, and there was a copy of the cancellation order of the Roseland, and - and the Centre Road - I am sorry, my lord. There is the Letters Patent - yes, the Letters Patent of all three.

Q. The Letters Patent of all three are there?

A. Yes.

THE COMMISSIONER: Now, we better get those in as one exhibit.

MR. WILSON: They are already in. I just wanted the witness to refer to them so that we would be clear as to the clubs that we were going to deal with.

THE COMMISSIONER: Yes, that is 11.

MR. WILSON: Taking the Centre Road

Q. WILKINS: And could we have Exhibits - that was 18, 19? Exhibits 18 and 19. Now, will you turn back to the Exhibit Book? And in that we will be about on the page we are reading with. I'll be asking you these questions and they are the letters Robert issued to the Centre Moose Veterans Association, the Bonavista Veterans Association, and the Grand Falls Veterans Association, and I believe that covers all of the area Act?

THE WITNESS: Mr. Wilkins, I have lost the [illegible] of the letter [illegible], in fact, in the Bonavista Veterans, and there was a copy of the conciliation order of the Bonavista, and - and the Centre Moose - I am sorry, my lord.

Then in the Grand Falls - yes, the letters [illegible] of all three.

Q. The letters Robert of all three [illegible]?

A. Yes.

THE COMMISSIONER: Now, we better get those in as one exhibit.

Q. WILKINS: They are already in. I just wanted the witness to take so that he would be clear as to the claim that he were going to deal with.

THE COMMISSIONER: Yes, that is it.

Q. WILKINS: During the Moose Road

Veterans Club first, what club did it succeed at the location stipulated in that charter?

A. The Army, Navy and Air Force Veterans, Unit - I just forget the number of the unit. It was 3- there were two units.

THE COMMISSIONER: We have that someplace. I have forgotten.

MR. MacKINNON: 326.

THE COMMISSIONER: 326, we are told.

A. 326, yes.

MR. WILSON: I think originally it was 234, and then 326 immediately prior to -

THE WITNESS: 326.

Q. - June of 1957.

A. 326, my lord.

MR. WILSON: And then, what was the club that was the predecessor of the Roseland Veterans' Association at the location stated or stipulated in the Charter?

A. Unit 3 - Army Navy and Air Force Veterans of Canada, Unit 327.

THE COMMISSIONER: Let me see Exhibit 11, please. The Frontier succeeded Roseland.

MR. WILSON: No, the Roseland succeeded the Army Navy and Veterans Unit 327.

THE COMMISSIONER: Just a moment - - yes?

MR. WILSON: Now, what club did the Frontier Veterans Association succeed?

A. They succeeded - well, my lord, Canadian Merchant Navy Veterans Association.

MR. WILSON: And the dates of those charters, as I recall, was June or July 4th?

A. July 5th.

Q. July 5th?

A. 5th.

Q. 1957?

A. 1957.

Q. Now, up to July 5th, 1957, had your Department had any complaints in respect of any of those predecessor clubs that you have mentioned?

A Yes, we had, my lord. It went back even before those three. It went back in the case of what we may call the Centre Road, it went back to the predecessor of that, the Alpha Club, that operated there before the Army Navy and Air Force.

Q. Yes?

A. - Veterans. That was a Dominion - Dominion Charter.

Q. Yes?

A. Yes.

Q. Well, what jurisdiction did you have to deal - I take it that all the three predecessor clubs were under Dominion Charter?

A. Yes.

Q. Yes?

A. Yes, that is correct.

Q. Now, what jurisdiction, if any, did you have prior to July 5th, 1957, to deal with any such complaints?

A. Well, we had no jurisdiction at all to deal with Dominion Charters. That is, there is no power under the Ontario Corporations Act to cancel. We did exercise power in respect to the three - the three units, the Army, Navy and Air Force Veterans, and the Canadian Merchant Veterans, in requiring them to submit special returns containing information. That came as a result of the request from Mr. Common that I mentioned yesterday in the beginning of May, 1957.

Q. Well - -

A. Requiring them to file annual returns.

Q. Did they in fact file these special returns prior to the issue of these Charters on July 5th, 1957?

A. Yes, prior to their issue, yes. It was a condition of their issue that those special returns be filed. I - I think I mentioned, my lord, yesterday, that I had required the - the three to file the special returns containing information, this is of members and directors and financial statements, and information which may be of help in prosecutions, and then I received a letter

A. Yes, that is correct.

Q. Yes, that concludes it my, did you have prior to July 2nd, 1987, in that with the such conversation?

A. Well, we had an informational as all to deal with Quantum Computers. That is, there is no power under the Canadian Corporations Act to consult. We did provide power in respect to the Sales - the Sales Mains, the Gas and Air Plant Property, and the Quantum Computer Variables, to function that as a special purpose partnership. We also in a result of the Request from my, Conway for I mentioned yesterday in the Business of May, 1987.

A. Well -

Q. Everything that is final?

A. And they in fact file some central returns prior to the dates of these Quantum on July 2nd, 1987.

A. Yes, prior to that issue, yes. It was a condition of that issue that these essential returns be filed. I - I think I mentioned, or hope, yesterday, that I had explained the - the need to file the special returns concerning information, that is of members and directors and financial statements, and information which may be of help to prospectuses, and then I received a letter

toward - this was - I required this in May of 1957, and I received a letter from Mr. Louis Herman, Q.C., disputing the jurisdiction of the Department to require this information, or all the information, rather, that we had requested, and I replied asserting our jurisdiction, and then he asked for an extension for a few days to get the information, which was granted, till July the 12th - or June the 12th, or - yes, June 12th, I think, 1957, and then the proceedings then developed to issue the charters. Would you like me to go into that, Mr. Commissioner?

MR. WILSON: Well, that is what I wanted to deal with, but possibly - you did get the returns, the special returns from these three predecessor clubs?

A. Yes.

Q. And could you let us have these?

A. Yes.

Q. Filed as an exhibit?

A. Yes. I have here, my lord, the special return filed of - of the Canadian Merchant Navy Veterans, the financial statement and the special return, and the list of the members;and also, as a condition of the granting of the three Charters, that is the three Ontario Charters, we required an undertaking of the - each of the three clubs that they would not in the

future, establish, maintain or conduct a club or accommodation for the members, and that they would discontinue club room and premises now occupied by the three present clubs. That is a similar one filed, my lord.

Q. Well, I thi_nk that - -

THE COMMISSIONER: One at a time. You received special returns of the Canadian Merchant Navy Veterans' Association? Yes?

A. Yes, and a special return from - from Army Navy and Air Force Veterans local - unit 326, and a special return from Army,Navy,Air Force Veterans 32- Unit 327. The last one being the Roseland, and the 326 being the Centre - being the Centre Road.

THE COMMISSIONER: You are filing those?

MR.WILSON: Yes, I wanted those filed, Mr. Commissioner. It may be just as well to file the correspondence as well.

A. Well, these, Mr. Wilson, have other - -

Q. Letters?

A. - Reports that led up to cancellation, and that sort of thing.

Q. And then maybe we could go on, if yuwould sort out the three.

A. Yes.

Q. Special returns. Now, - -

THE COMMISSIONER: Now, they will be Exhibit 57.

MR. WILSON: A.

THE COMMISSIONER: B and C.

MR. WILSON: Yes. Now, I want to - -

THE COMMISSIONER: Just- Just a minute.

MR. WILSON: Sorry.

---EXHIBIT NO. 57-A Special return of Army, Navy and Air Force Veterans, Unit 326.

---EXHIBIT NO.57-B: Special return of Army, Navy and Air Force Veterans, Unit 327.

---EXHIBIT NO.57-C: Special return of Canadian Merchant Navy. Veterans Association.

THE COMMISSIONER: Yes?

MR. WILSON: Was there - was there any power by your Department, or any other Department of Government in Ontario, to terminate the operation of these three clubs prior to July 5th, 1957?

A. As I understood it, Mr. Wilson, there was no - there was certainly -- under the Corporations'Act, my lord, there is power to cancel Charters for cause of Ontario Corporations, but not the Charters of Corporations operating in Ontario but incorporated elsewhere; and the other is more a matter for the Attorney General's Department, but as I understood

Veterans Association.

Q. Either one thing - one thing

Department of Government in Ontario, to determine the operation of these Crown claims prior to

A. As I understood it, in

minor, there was no - there was certainly -- under the Corporations Act, my lord, there is power to cancel charters for cause of nonuse

Corporations operating in Ontario but incorporated elsewhere; and the other is more a matter for the Attorney General's Department, but as I understand

B/2

it, that being - could only be through - ~~where~~ there is a court proceeding seire - by proceeding by Seire facias, whereby the Crown can initiate action to have the Charter cancelled. The Dominion Corporation Act has no power for the cancellation of Charters by the Department, as the Ontario Act, and therefore the only procedure under the Dominion Act is Writ of Seire Facias; but as I understood it these proceedings through the Courts would have to be taken by the Incorporating Jurisdiction, which would be the Dominion in this case.

MR. WILSON: Yes. Well, now, will you just tell us, so far as your Department is concerned, what led up to the issue of those three Charters on July the 5th, 1957?

A. Well, -- the special return was required, I extended that to - for a few days to June the 12th. They didn't come in, and then I remembered - I recollect I received a telephone call from the Honourable Mr. Roberts, Attorney General, advising that Mr. Louis Herman, the lawyer who had been acting, or who had been in correspondence with me in respect to these special returns had ~~seen~~ him either in his office, or had just seen him, and that the clubs, through Mr. Herman, had professed their innocence, that they were carrying on legitimately and that as evidence of good faith they would take out Provincial

Charters, and Mr. Roberts, from the telephone conversation, intimated that a decision had been made to issue these Provincial Charters.

Q. Well, now - -

A. And - -

Q. - - can you - you just go on?

A. And I - he asked me if I would see Mr. Herman, with the applications that Mr. Herman would be in shortly to see me, and I mentioned to him whether the applications should be referred to the police.

THE COMMISSIONER: Just a moment. - - Yes?

A. And he said, "I don't think so, in the circumstances, that the situation - -" Well, I won't go - I mean he said I don't think so in the circumstances, that this is to bring them under the Provincial control, that - the idea being that there is - was no control of them at the present time - that is the Province, rather, had no control, and this would bring them under Provincial control, so that they would be more supervised by the Province and also I discussed with him at that time on the phone I had mentioned these special returns, and as I recall it was decided they should file those returns before these - as a condition to granting of the charters,

Q. Well, now - -

Q. And - -

Q. - - can you - you just go

ahead.

A. And I - he asked me if I would see Mr. Hoover, with the applications that Mr. Hoover would be in shortly to see me, and I responded to him whether the applications should be referred to the police.

THE COMMISSIONER: Just a moment.

- - Yes?

Q. And so did, I don't mean to, in the circumstances, that the question - - well, I don't go - Mean no more. I don't think so in the circumstances, that this is to bring them under the provincial control, that - the idea being that there is - was no control of them at the present time - that is the provincial power, not in control, and this would bring them under provincial control, so that they would be more supervised by the province and also I discussed with him as that time on the phone I had mentioned these special returns, and as I recall it was decided they should file these returns before these - it's a condition to granting of the charter.

and also I - it was mentioned that Mr. Roberts - I think either he or I mentioned, I don't know just which it was, that we require undertakings from these three Dominion or thatthey would not - they would discontinue their operations, otherwise we would have six on our hands.

MR. WILSON:

Q. Yes. In other words you got the undertakings that they would not?

A. That is right, yes.

Q. Have any further operations?

A. Yes.

Q. In Ontario?

A. Yes. They were filed. As a matter of fact, the Charters were not sent out until those undertakings were filed, and until the special returns were filed.

Q. Now, did your Department have anything to do with - -

THE COMMISSIONER: Just - just a moment.

A. There is just one other thing, my lord. I may say that I mentioned to Mr. Roberts that if - that I would have to discuss the matter with my Minister, the Honourable Mr. Dunbar, see him in the - with respect to the non-referral to the police.

Q. And did you do that?

A. Yes, I saw Mr. Dunbar very shortly after, and as I recollect it was before

on July 1 - It was suddenly that Mr. Gladstone - I think either he or I mentioned, I don't know just which it was, that we regarded undertakings from these three Dominions or Australasia would not - this Bill disconnected their governments, otherwise we would have six on our hands.

MR. WATSON:

Q. [illegible]

You got the undertakings that they would not

A. That is right, yes.

Q. Have any further questions?

A. Yes.

Q. [illegible]

A. Yes. They were filled.

At a latter by that, the Convention here had not and all those [illegible] was filled; the [illegible] special volunteers were filled.

Q. Now, did your Government have anything to do with - -

THE CHAIRMAN: Stop - just a [illegible].

A. Always in just one other [illegible]. I may say that I mentioned it.

MR. MORRIS: That is - that I would have to discuss the matter with my Minister, the Honourable Mr. Lemieux, now also in Ottawa - with respect to the [illegible] in the policy.

Q. And did you do that?

A. Yes, I saw Mr. Lemieux very shortly after, and as I recollect it was decided

Mr. Herman obtained them. Mr. Herman came in, my lord, with the applications. I think this must have been around the middle of June, or towards the end of June, and I think Mr. Herman came in a day or so later, but in the meantime, shortly after Mr. Roberts had called me, I spoke to Mr. Dunbar. He didn't know about it, and we considered it, - -

THE COMMISSIONER: Didn't know about that?

A. About the proposal to incorporate these three clubs Provincially.

(Page 1010 follows)

THE COMMISSIONER: You told him?

A. Yes, I advised him what Mr. Roberts had told me because it is our department issues the charters, and Mr. Dunbar wanted to think it over.

Then Mr. Herman saw me with the applications and I remember all he had with him was just the three applications. I told him that I would have to mention the matter, I had mentioned it -- I don't know whether I had mentioned it to Mr. Dunbar already, but I said I would have to discuss it further with Mr. Dunbar, which I would, because no decision had been made; and also I required as a condition to the granting of the charters the filing of these three special returns and the three undertakings from the Dominion.

Then I saw Mr. Dunbar shortly after that. This was all getting then to the middle, end of June and I rather assumed Mr. Roberts had spoken to Mr. Dunbar and it was satisfactory to issue.

THE COMMISSIONER: He seemed to be familiar with it?

A. He seemed to be familiar.

Q. On the second occasion?

A. On the second occasion. He was familiar. Then the fee of $20 for the charter did not -- was not paid till I think it was, July 5th, and on July 5th we could not date the

charter till we received the fee and the date, so I wrote Mr. Herman and I have this letter -- I will just get my letter, if I may, my lord. There is a letter from Mr. Louis Herman, Herman, Moses and Rose, Barristers, Toronto, dated July 28th, 1957 addressed to Deputy Provincial Secretary, giving this undertaking.

Q. Read it.

A. "Dear Sir:

"Re Centre Road Veterans Association.

" This will confirm the undertaking "given by us on behalf of our clients "who have applied for incorporation "under the above-mentioned name.

" We hereby undertake to supply "you with the following prior to our "obtaining Letters Patent herein.

" 1. The exact address of the "Club House to contain either street "address or a lot and plan.

" 2. To supply you with the returns "requested by your office for the unit "326, Army, Navy andAir Force in Canada.

" 3. To supply you with a "certified copy of the resolution of "the members of Unit 326, Army, Navy "And Air Force in Canada, passed at "a general or special meeting, "resolving in consideration of the

"issuance to the members by your
"office of Letters Patent to Centre
"Road Veterans Association, to
"discontinue the use as club rooms
"of the premises now occupied by
"the Unit 326, Army, Navy and Air
"Force in Canada and not at any
"time in the future to establish,
"maintain and conduct a club or
"club rooms for the accommodation,
"recreation and convenience of the
"members of Unit 326, Army, Navy
"and Air Force in Canda.
"Yours faithfully,
"Herman, Moses and Rose."

That is dated -- there is no stamp on that -- it must have been delivered at the office, but it is dated June 28th, 1957.

Q. I thought July, you said?

A. I am sorry, my lord, June 28th. Then the fee of $20 was paid on July 5th, and on July 5th, 1957, I wrote Mr. Herman a letter:

"Re Centre Road Veterans Association
"Referring to the application
"for incorporation under the above
"name, I would advise that Letters
"Patent are being issued as of this
"date. The Letters Patent are being
"issued upon the understanding that
"you will supply us with the material

"listed in your letter of June 28th,
"1957. Enclosed please find
"receipt for cheque for $20 covering
"the fee herin."

But the Letters Patent, my lord, were not mailed, they were held. It takes a little while to engross them, but they were held until that undertaking was carried out.

The undertaking,I see here the undertaking was filed with us, or the undertaking was carried out, rather -- there is a covering letter of July 11th, 1957, just enclosing those matters. Will I read,it, my lord?

Q. Just enclosing them?

A. Just enclosing. Then the charters were mailed on July 16th.

C2 MR. WILSON: I think possibly that one could go in, the letter of July 11th with the resolution attached.

HIS LORDSHIP: Put in all that correspondence.

MR. WILSON: That then would include the letter which thewitness says is July 5th, 1957 rather than June 28th, the letter of July 11th, 1957 with the attached resolution bearing the date ---

THE WITNESS: Yes, Mr. Wilson, the resolutions are on the private file. This is the file of the Centre Road, you see, and the resolutions are already in as exhibits with the special returns.

MR. WILSON: This is just a copy then of the resolution?

A. No, this is the file of the Centre Road and that just has the letter, but the resolutions are not attached. They were put on the file ---

Q. I see, they have been detached and filed?

A. Yes.

Q. Then we will just havethe two letters.

A. Yes, Mr. Wilson, letter of June ---

Q. Well, the copy I have it has June 28th and it is struck out, whatever the date is there.

A. There is a letter of June 28th, 1957 undertaking ---

Q. The one you read just a moment ago.

MR. MacKINNON: He read three letters or four letters.

MR. WILSON: I know, starting with the first one he read.

THE WITNESS: This is the letter of the undertaking of June 28th, and then this is my letter to Mr. Herman advising ---

THE COMMISSIONER: Speak a little louder.

A. This is the letter to Mr.Herman advising that the charter will be issued, and

Mr. [illegible] Are you a [illegible]

[illegible] of the [illegible]

A. [illegible] Yes, [illegible] of the [illegible]

Between [illegible] and [illegible] Just [illegible] the letter,

[illegible] the [illegible] [illegible] [illegible]

[illegible] [illegible] the [illegible]?

Q. I see. They have been [illegible]

[illegible]?

A. Yes.

Q. Does [illegible] will [illegible] [illegible]

[illegible].

A. [illegible] [illegible] [illegible] [illegible] —

A. Well, who [illegible] I [illegible] [illegible]

[illegible] [illegible] [illegible] [illegible] [illegible]

[illegible] [illegible] [illegible].

A. [illegible] [illegible] [illegible] [illegible]

[illegible]—

A. The one you read just a [illegible]

[illegible].

Mr. McCARTHY: He [illegible] [illegible]

[illegible] [illegible].

Mr. [illegible]: I [illegible] [illegible] [illegible]

[illegible] [illegible] [illegible].

THE WITNESS: This is the letter of

the [illegible] of June [illegible], and [illegible]

is my letter to Mr. [illegible] [illegible] —

[illegible] [illegible] [illegible] [illegible]

[illegible].

A. This is the letter to Mr. [illegible]

[illegible] [illegible] [illegible] [illegible] [illegible] [illegible], [illegible]

then there is a letter of July 11th from Mr. Herman carrying out the undertaking.

MR. WILSON: We will file those three.

MR. MacKINNON: Well, I am still confused. Is there a letter of June 28th going in?

MR. WILSON: I thought after they segregated them I would look at them and get the dates clarified.

MR. MacKINNON: There is a letter of July 16th as well, is there, when you mailed the charters out?

THE WITNESS: There is a letter of July 16th. I will just look for that. I think that is the form letter, but I will just check that.

MR. MacKINNON: That would be the fourth letter then.

THE WITNESS: The mimeographed letter.

MR. WILSON: I will identify these documents just to be sure. First, the letter of June 28th, 1957 from Louis Herman to the Deputy Provincial Secretary; next is a copy of a letter from the Deputy Provincial Secretary to Mr. Herman dated July 5, 1957; third is a letter from Louis Herman to Deputy Provincial Secretary dated June 11, 1957.

MR. CARTY: July.

MR. WILSON: Did I say June? July 11th, 1957. The fourth one is the form letter, did you say?

A. Yes.

MR. WILSON: Do you want the fourth?

THE COMMISSIONER: Oh, attach it.

THE WITNESS: I think July 16th.

MR. WILSON: Q. Will you give us the particulars of that?

A. July 16th, my lord, yes.

Q. Then it will form part of this exhibit.

A. Yes.

--- EXHIBIT NO. 58: Letter dated June 28th, 1957, Louis Herman to Deputy Provincial Secretary. Copy Letter, Deputy Provincial Secretary to Mr. Herman dated July 5th, 1957. Letter from Louis Herman to Deputy Provincial Secretary dated July 11, 1957/ Letter from Deputy Provincial Secretary to Mr. Herman dated July 16, 1957.

MR. WILSON: Q. Now, apart from the call that you say you had from Mr. Roberts, advising you that provincial charters were to be applied for, did you or anybody in your department enter into any discussions prior to that time leading up to this decision to apply for provincial charters?

A. No, no, we did not, Mr. Wilson.

Q. Just so that we will have the record clear, was Mr. Louis Herman the only lawyer that had any dealings with you in

respect to the issue of these three charters?

A. Yes, he was the only one, my lord.

Q. Because there has been some confusion in that regard, and the suggestion that Mr. Sol Gebirtig had something to do with it?

A. No, Mr. Herman, my lord, was the only one who dealt with me on this matter in respect to these three charters.

Q. Did your department have anything to do with the correspondence or discussions that took place between the Attorney General's Department and the Minister of Justice at Ottawa in regard to these clubs and the conditions applicable to them, prior to Mr. Roberts getting in touch with you?

A. No, not to my knowledge. At least, I didn't myself, and I am sure nobody else did.

Q. Did you have anything to do with that at any time?

A. We had interceded somewhat on the Alpha Club that had been incorporated, my lord. This was the first one. I remember my having correspondence with Mr. O'Meara, the Assistant Under-Secretary of State, asking if this charter could be cancelled. The Provincial Police had been in touch with me.

Q. I think it may be of some

importance that we deal with that point. This was an effort on your part to have the federal authority cancel the Alpha Club charter?

A. Yes.

Q. Have you got the correspondence dealing with that?

A. Yes, I have, Mr. Wilson.

Q. Well, could we have that, please? Just so that we will understand the chain of events, the Alpha Club was the predecessor Club in occupation of the premises that later were occupied by the Army, Navy ---

THE COMMISSIONER: Unit 326, that is all.

MR. WILSON: Unit 326 at Cooksville?

A. That is what I understand. I mean, as I say, we did not incorporate them, but I have always understood that they were the predecessors.

Q. Tell us what your discussions were with the Minister of Justice in regard to theAlpha Club.

THE COMMISSIONER: Was it with the Minister of Justice?

A. No, it was with the Secretary of State, Department of theSecretary of State.

MR. WILSON:

Q. When did this take place?

A. Well, the first letter was from Mr. Hollingshead, a solicitor in our

department, on March 12th, 1952, and I take it that there had been, must have been representations from the Attorney General's Department or the Provincial Police because he inquires as to the company -- the club, rather -- Alpha Club Limited, and he said:

"I understand that some complaints "have been received in connection "with this company and we have had "an inquiry from the Police as to "its present status."

Which was a general inquiry, my lord.

THE COMMISSIONER:

Q. What date is that letter?

A. That was March 12th, 1952, my lord. Then we received, or Mr.Hollingshead received a letter from Mr. A.A. Cattanach of the Secretary of State's department and in that letter ---

Q. Read it.

A. "Ottawa, March 21st, 1952.

"Dear Sir:

" Receipt is acknowledged of "your letter of March 12th in which "you inquire concerning Alpha Club "Limited, in_corporated by Federal "Letters Patent dated October7th, "1924, with head office situate first "at Peterborough, Ontario, later "changed to Toronto and then back "to Peterborough, Ontario.

"I was indeed surprised
"to read that this club had been
"regularly filing annual returns
"with your Department except that
"for the year ending March 31st,
"1951. The last annual summary
"required under Section 121 of
"the Companies Act filed by the
"Club with this Department was
"that for March 31st, 1947,
"wherein the following were declared
"to be directors.
" J.S.Black, Vice-President,
"Water Street, Peterborough.
" E.S.Sheehy, Simcoe Street,
"Peterborough.
" J.J.Crowley, Hunter and George
"Streets, Peterborough.
" Louis Yeotes, George Street,
C3 "Peterborough.
" Norman J. Hughes, Secretary,
"Lakefield, Ontario.
" The address of the head office
"was given as 339½ George Street,
"Peterborough. Under date of
"December 8th, 1951, the department
"forwarded registered notices to the Club
"at the above address and also care of
"E.S.Sheehy, Barrister, Kresge
"Building, Peterborough, advising
"that it had for three consecutive

notice

"years it had failed to file the
"prescribed annual summaries, and
"also stating that, unless within
"one month from the date of the notice
"the club established to the satisfaction
"of the Secretary of State of Canada
"that it was still a subsisting one
"and submitted the delinquent summaries,
"it would be no longer considered
"entitled to the sole use of its
"corporate name, pursuant to the
"provisions of subsection 9 and 10
"of Section 121 of theCompanies Act.
"Both letters were returned to the
"Department by the postal authorities
"who were unable to effect delivery, the
"envelopes bearing the endorsations
"'no response'. I observe a note
"on the file that forms of annual
"summaries under Section 121 of the
"Companies Act for the years March
"31st, 1948 to 1951 inclusive were
"sent to Theodore P. Metrick,
"Barrister, 74 Sparks Street, Ottawa,
"on February 20th, 1952. It may
"be that the club intends to complete
"and file these returns. Meanwhile
"insofar as the records of this
"Department are concerned, the
"Club has lost the right to the sole

"use of the corporate name."

Mr. Hollingshead, the departmental solicitor at the time, sent a copy of Mr. --- the letter from the Department of the Secretary of State, to Inspector Tomlinson of the Provincial Police.

THE COMMISSIONER: The date?

A. March 25th, 1952, and then on March 27th, 1952, Mr. Hollingshead wrote to A.A.Cattanach, Department of the Secretary of State, Ottawa.

"Dear Sir:

" Re Alpha Club Limited

" I acknowledge with thanks ..." this is just an acknowledgement.

"...receipt of your letter of "March 21st with respect to the "above named. Any further information "received in connection with the "company we will attempt to keep "you informed."

Then there was another letter from the Department of The Secretary of State and this letter is dated May 27th, 1952, signed by Paul Lemieux, attention Mr. Hollingshead:

" In accordance with your request, "find herewith enclosed certificate "of the Under-Secretary of State. "The last annual summary filed by

"the above club pursuant to
"Section 121 of the Companies Act
"is for the period ended March
"31st, 1947."

There was a provision, my lord -- I think what we were trying to get at -- there was a provision under the Dominion Companies Act that if a company did not file returns for three years (it was Section 121 now Section, I think, 125) that the Secretary of State can give notice ~~of~~ to the company, and if the returns are not filed within one month the company loses the right to use its name, and also is declared to be not a subsisting,valid, corporation.

Now, it has since been interpreted by the courts, I believe, that it does not mean, that "not a subsisting and valid corporation" does not mean that the corporation is dissolved. But my thought was, I think, if they lost their corporate -- possibly lost their corporate powers they may not be a bona fide ~~national~~ social club.

MR. Hollingshead wrote to Inspector Tomlinson on May 28th, 1952:

"Dear Sir:

" Re Alpha Club Limited

" I send you herewith certificate
"from the Department of the Secretary

"of State with respect to arrears
"of filing annual summaries under
"the Dominion Companies Act, and
"the certified copy of return filed
"under the Companies Information Act.
" You might mention to Mr. Davis
"that subsection 7 of Section 121
"of the Dominion Companies Act
"provides that the certificate of
"the Secretary of State is in
"certain instances prima facie
"evidence of failure to file annual
"summaries.
" With respect to the certificate
"on the copies of annual returns filed
"here, you will note that all the
"annual returns referred to were
"filed on one date, namely, January
"18th, 1951, and that the 1951
"annual return has not been filed.
" With respect to the 1952
"annual return, it is not due till
"June 1st next but as yet it has
"not been received.
" With respect to the certified
"copies themselves, you might parti-
"cularly note item one which indicates
"the company has no office."

MR. WILSON: Q. I really did not intend to pursue this. Is this all a discussion of

the effect of the non-filing?

A. Yes.

Q. Under the provisions of the Dominion Companies Act?

A. Yes.

Q. What was the result? Possibly you can tell us in a few words.

A. I got into correspondence then with Mr. O'Meara. Apparently this was passed on to the provincial Police, and they apparently approached us further in 1954, and I was in correspondence then wih Mr. O'Meara, inquiring, my lord, as to the effect of this section, asking if something could not be done -- that they had been causing, it had been causing the Police trouble and is there not any way that scire facias proceedings could be taken to cancel the charter.

Q. And what was the result of that?

A. My last letter to Mr. O'Meara is March 5th, 1954 in which I say:

"The Attorney General's department
"and Provincial Police are very
"concerned with the activities of
"the club, and ask if there is any
"way that they can take cancellation
"proceedings."

And then I did not hear from Mr. O'Meara anything further, but I have understood recently that the charter was cancelled,

that they did take scire facias proceedings.

Q. Do you know when?

A. No, I don't. I just learned that this week.

Q. The way it ended as far as you are concerned is your last letter to Mr. O'Meara was not answered?

A. That is right, yes.

MR. MacKINNON: Who is Mr. O'Meara?

MR. WILSON: At that time, would you tell us what post Mr. O'Meara had?

A. He was Assistant Under-Secretary of State -- no, assistant -- yes, Assistant Under-Secretary.

Q. Now, really what I was trying to get at, did you have any part in any discussions that took place with the Minister of Justice in regard to the conditions applicable to the operations of unit 326?

A. No, I did not, my lord. I knew nothing of that at all .

Q. That was a matter that was dealt with by the Attorney General?

A. Yes, that is true.

Q. I would ask you to look at Exhibit 11, and I think the conditions attached to the issue or embodied in the charter are the same in each case, so you can take any one of them. Am I right in this, that the conditions are all the same?

A. Are all the same, yes.

Q. Now, the conditions there, I think, have been described as the bars and bolts clause?

A. Yes.

MR. WILSON: When this was introduced, Mr. Commissioner, this was not read, and I would like the special conditions that appear in that charter read.

Q. You are reading from which exhibit?

A. I am reading, my lord ---

THE REGISTRAR: 11(c).

THE WITNESS: 11(c) and the conditions, my lord, are the same in all three.

The first condition, and this is standard, first conditions are standard in all club charters:

"And it is hereby ordained and declared "that the corporation is prohibited "from occupying and using a house, "room or place as a club which, "except for the provisions of paragraph "(a) subsection 2 of section 168 of "the Criminal Code (Canada) would be "a common gaming house within the "meaning of paragraph (a) of subsection "1 of the said Section 168; and if "it is made to appear to the satis- "faction of the Provincial Secretary

"that the corporation purports so
"to use a house, room or place,
"these Letters Patent may be
"cancelled by and in discretion
"of the Lieutenant Governor."

Q. Now, just tell us briefly what all that reference to the law adds up to?

A. Briefly, it is, my lord, to prohibit the club from making any charge for gaming, even the legal limit of ten cents allowed by the Criminal Code, of ten cents an hour.

The second condition is:

"And it is hereby further ordained
"and declared that if it is made to
"appear to the satisfaction of the
"Provincial Secretary that the
"premises occupied by the corporation
"are equipped, guarded or otherwise
"constructed or operated so as to
"hinder or prevent lawful access to
"and inspection of such premises by
"police or fire officers, or are
"found fitted or provided with any
"means or contrivance for playing
"any game of chance or any mixed
"game of chance and skill, gaming
"or betting, or with any device
"for concealing, removing or
"destroying such means of contrivance,

"these Letters Patent may be
"cancelled in the discretion of
C4 "the Lieutenant Governor."

Q. And that, I take it, was one of the clauses that you took into consideration on the hearing of the application for the cancellation of the Centre Road Veterans Association?

A. Yes, it was.

Q. What is the third condition?

A. And the third condition:
"And it is hereby ordained and
"declared that at least ninety-five
"per cent of the members of the
"corporation shall at all times
"be war veterans."

Now, that is required, all those are required by our regulations under the Corporations Act . The first two are standard in all corporations having objects in whole or part of a social nature. The last one is required if the word "Veterans" is in the corporate name.

Q. Now, did any one of those three conditions apply to the operations of the three predecessor clubs?

A. No, none of them.

Q. Dealing with the Roseland later and its association, as of what date was that charter cancelled?

A. It was cancelled, my lord, by Order dated February 14, 1958 and dissolved as of March 8, 1958.

Q. What was thebasis for the dissolution or cancellation?

THE COMMISSIONER: What date was it dissolved?

A. As of March 8, 1958, my lord. It was brought to the attention of our department that there had been conviction of person or persons for keeping a common gaming house on the premises. I can get you the particulars, my lord. There is a conviction filed here, my lord:

"Be it remembered on 6th January, "1958, John Francis Gardiner "between March 1st, 1957 and "November 13th, 1957, together "with Leo Finnegan, did unlawfully "keep a common gaming house at "premises situate on the east side "of Walker Road on farm lot 304, "contrary to section 176, subsection "1 of the Criminal Code, and was "convicted of the said offense, "and the following punishment was "imposed."

THE COMMISSIONER: No, no.

MR. WILSON: Q. It was on the basis of that conviction then that your Department

took steps to cancel and did cancel?

A. Did cancel the charter.

Q. The charter.

A. Yes.

Q. Just to complete the story, was the Frontier charter also cancelled?

A. Well, I had word, I had a letter from the Provincial Police the first of this month indicating that there was an allegation of illegal gaming on the club premises. I think the Frontier, at least I gather, has been closed for some time, but there had been illegal gaming at one time and I wrote a letter to the club advising that illegal gaming had been alleged, and that it was proposed to cancel the charter unless cause was shown to thecontrary. My letter came back, registered letter, from the postal authorities unclaimed. Then I wrote to the club care of the three directors I referred to, and the final date is March 30th.

Q. Well, your information is that theclub has not been operating for some years?

A. I think, yes, I have inquired about them from time to time. I wouldn't say -- they were incorporated in 1957 but I don't know just how long they have not been operating.

Q. We will have other and more

accurate information on that.

A. I have not accurate information on that, Mr. Wilson.

Q. That is all, thank you.

THE COMMISSIONER: Mr. MacKinnon?

MR. MacKINNON: Mr. Hogg will take this examination, Mr. Commissioner.

EXAMINED BY MR. HOGG:

Q. Mr. Cudney, I have a few questions in connection with the issuance of a charter. Was there a standard policy or a standard procedure laid down for the issuance of a charter or a provincial charter?

A. You mean for a social club?

Q. Yes.

A. Yes.

Q. Would you be good enough to tell us what that procedure was?

A. Well, the procedure established in 1950, about July 1st, 1950, was to refer all applications for clubs, except recognized service clubs, that is all clubs, whether social, athletic -- all clubs of any nature whatsoever, and any corporations having objects in whole or in part of a social nature. That is, they may not be called a club but they may have social in their objects. They

[illegible] of [illegible].

Q. I saw you between [illegible] on June 4th, 1944?

A. That is all, thank you.

[illegible] by Qualifiedman

Q. Mr. [illegible] Mr. Moss will then [illegible] Mr. Chamberlain.

[illegible]

Q. Mr. Chamberlain, I want to [illegible] [illegible] of a chemist. You have a standard policy of a standard [illegible] that has the [illegible] of 1 [illegible] in 1 [illegible] and [illegible]

A. You mean for a normal [illegible]

Q. Yes.

A. Yes.

Q. Would you be good enough to tell us what that procedure was?

A. Well, the procedure actually [illegible] in 1940, about July 1st, 1940, was to [illegible] [illegible] applications for [illegible] [illegible] marine clause, used to all cases, whether normal, [illegible] -- all cases of any nature whatsoever, and any [illegible] having objects in mind or in part of a [illegible] [illegible]. That is, they may not be called a case but they may have [illegible] or [illegible] [illegible].

may be called something else, society.

Q. You refer all these to whom?

A. To the Provincial Police and to the local police.

Q. As well?

A. Yes, that is the local police where the -- but also part of the policy is that the club premises are limited to a particular location.

Q. So that if a solicitor applies on behalf of his clients for a social club, the first thing that your department would do is to refer this matter for a report of the Ontario Provincial Police and, where applicable, the local police?

A. Local police, yes.

Q. And what documents would you require from the applicants?

A. Well, from the application form?

Q. For the charter.

A. Well, there is the application for incorporation is at least three people, three or more people may apply. In the case of any corporation without share capital -- and most of these clubs are without share capital ---

Q. I am talking about social clubs of the type we have been discussing.

A. Yes. We require that the applicants must be persons who will continue

to be members after incorporation, not office incorporators, as often is the case with commercial companies.

Q. There was a drill or procedure established where on rdceipt of such application the Provincial Police would be notified and the local police would be notified?

A. That is right, giving the names of the applicants and the objects and the location of the premises.

Q. And you would await a report from the police?

A. That is true, yes.

Q. And if the police report was unfavourable, what would you do?

A. It would not be granted, I mean, depending -- the police report ---

Q. Let me put it this way.

THE COMMISSIONER: Let him finish.

THE WITNESS: In most cases it would be refused, depending upon -- there may be the odd police report where there is no question of gambling, where there may be, it has happened on very rare instances, where perhaps the local constable may say, "Well, we don't think that these people need a charter", or "We think that there are two groups in a church that are not going to like it".

MR. HOGG: Q. If the Provincial Police reported to you that the club in question, the proposed club, was known to them for a period of years as a gambling establishment, that they were aware of the character so far as gambling and criminal activities of the applicants and their associates, and that they had had considerable difficulty with the physical location, then I take it the charter would not be issued?

A. Yes, I would turn it down.

Q. In the normal procedure that you have advised us of, was any contact made with the Attorney-General's department?

A. No.

THE COMMISSIONER: Would you repeat that, Mr. Reporter?

THE REPORTER: (Reading)

"Q. In the normal procedure that "you have advised us of, was any "contact made with the Attorney-"General's department?

"A. No."

THE COMMISSIONER: What do you mean, in the normal procedure would any contact be made?

MR. HOGG: Q. Yes, in the same way you have said it was normal procedure to contact the police and ask for their report?

A. No, the normal procedure was to contact the Provincial Police and the local police, and in some instances the R.C.M.P., but the normal procedure was not to contact the Attorney General's department.

I mean, there would be, maybe, in the odd case,contact with the Attorney General's department on the odd occasion, but, I mean, the normal procedure is the three police, two police references and sometimes a third.

Q. Was there a statement of policy given by your Minister, by your superior to you concerning the issuance of the social club charters?

A. Yes, a policy was laid down.

Q. Was it in writing, Mr. Cudney?

A. No, it was not in writing. It was discussed.

Q. May I refer to a statement of policy contained in the Legislature of Ontario Debates, for Monday, February 23rd, 1959 in the afternoon session, and ask you whether this was a correct statement of policy that you were given by your superiors? I refer, Mr. Commissioner, to page 541 of this report, where the Honourable A.K.Roberts, the Attorney General is replying to a question from Mr. Wintermeyer and stating the policy

of his own department and of the Provincial Secretary's Department. If I may read from the top of page 541, and I have a copy here, I believe, which we could file if you wished.

THE COMMISSIONER: Thank you very much. I would like to be following that.

MR. MacKINNON: I think I will let you have my copy. It is a little marked up.

MR. HOGG: Page 541, my lord.

"In 1947 a policy was adopted by "the Government and particularly "by the Provincial Secretary's "Department ---"

A. That was 1947 it says?

Q. Yes, it says 1947.

A. Yes, 1947.

Q. "... with respect to the "incorporation of social clubs "other than bona fide service clubs.

C5 "The policy as established, and still "in effect, is to limit the location "of the activities to the particular "street address named in the Letters "Patent. The Letters Patent themselves "carry special clauses.

"The first provision wasto take "away the overhead rights to thepoint "that the Provincial Secretary could

of his own department and of the Provincial Secretary's Department. If I may read from the top of page 5A1, and I have a copy here, I believe, which we could file if you wished.

VICE CHAIRMAN: Thank you very much. I would like to be following that.

MR. MACDONALD: I think I will let Professor Le Dain, if he is a typical member, do.

MR. GOODE: Only this, or last.

"In 1967 a policy was adopted by the Government and particularly by the Developing Commerce's

"Commission --

A. Then was 1967 is meant?

Yes, in May 1967.

A. Yes, 1967.

Q. "... with regards to the

"incorporation of social clubs

"Some time ago this Service viewed

"the policy as established, and still

"its effect, is to limit the incorporation

"of the activities to the particular

"social purposes named in the Letters

"Patent. The Service takes liberal

"sense of social element.

The Public Questions Branch

"has the strictest rights in regard

"to the Provincial Secretary until

"recommend the cancellation and
"the Lieutenant Governor In Council
"actually cancel, in his discretion,
"such charter even if they were not
"charging any more than what was
"permitted by the Criminal Code
"for overhead.
" The second point was that,
"if the premises were equipped or
"guarded or otherwise constructed
"to hinder or prevent lawful access
"and ready inspection, or found to
"be fitted with any means or
"contrivance for playing any game
"of chance, then the Letters Patent
"could be cancelled in the same
"discretion.
" When an application is received
"it is the practice of the Provincial
"Secretary's Department -- and has
"been since 1949 -- to refer the
"matter to the local police -- and
"that would be the Metro -- and also
"in all cases to the Ontario Provincial
"Police, and in some cases to the
"Royal Canadian Mounted Police
"before granting anything at all.
"The practice is not to grant a
"charter if the police have legitimate
"objections. Also, the precautions

"are taken to make sure that the
"applimnts for an incorporation
"must continue to be members, in
"other words genuine members of
"the organization must be the
"applicants and they must remain
"in office. In this way a check
"on the membership is made easier.
"The Ontario Provincial Police, I
"understand, ask not only for the
"officers when the application is
"made for review by the Provincial
"Secretary's Department, but also
"ask for the names of people who
"propose to become members, and
"they take a good look at the list
"at that time."

Then I will at this time skip this down a bit and just refer to the bottom of page 541 where he is referring to Chief Mackey and the Metropolitan Police:

"I would point out he has always
"been at liberty, as have his officers,
"to discuss matters with The Hon.
"Provincial Secretary, Mr. Phillips,
"or the Deputy Provincial Secretary."

Now, is that a correct statement of the policy that was in effect?

A. Well, Mr. Hogg, it is very

"not based on such sure foundations
"applicable for an Commonwealth
"that proclaims it is monarchy, it
"cannot merely pronounce an
"the regulations must be ill
"qualified and may lead events
"to ruin. It thus may be seen
"by the measurement of such events,
"the Bulletin Constitutional Policies I
"mentioned, and had said for the
"Ultimate sense the application by
"some for events of the Provincial
"Government's Department, the also
"ask for the cause of people who
"propose to develop monarchy, and
"can lead a good land of the life
"of that land."

Then I will be turn time only. Will
down a six and just refer to the notion of
that just where to is referring to Chief Minister
and the Bulletin Policies.

"I would point out to you always
"that as lawyer, as have the attitude,
"to common reference with the Bon.
"Minister Constitutionally, the Bulletin,
"to the Deputy provincial Secretary."

Now, is that a correct statement of the policy
that was in effect?

— Well, Mr. Speaker, it is very

difficult to give you a "yes" or "no" answer. I tell you, if I reviewed, my lord, the policy, briefly, then I mean it ties in, I think it is a generally true statement; but I mean, it is difficult for me to say "yes" or "no" because there are certain things there that I perhaps, if I could review it, my lord, just briefly---

THE COMMISSIONER: Do you want this in front of you? Would that help you?

A. Yes.

MR. HOGG: I am advised, Mr. Commissioner, that it says "in 1947" at the top. That is a mis-print, and it should be 1949, but for these purposes I don't ---

THE COMMISSIONER: He has it in front of him and with a long recitation to that, it is only fair, I think, he should have it.

THE WITNESS: Well, now, it says:

"In 1947 a policy was adopted by "the Government and particularly "by the Provincial Secretary's "Department with respect to the "incorporation of social clubs "other than bona fide service clubs."

Actually that policy was adopted in 1946, to be completely accurate. It was 1946, the first policy, and the policy has changed, tightened over the years.

"The policy as established is still

in effect".

Now, what we did in 1946 ---

THE COMMISSIONER: You are not reading now?

A. No. What we did in 1946, applications were referred to the police, that is, I think they were referred; local police first at that time, and then about 1947 (I just haven't got my notes) they were referred to the Provincial. But the applications at that time, the reference was: Have the applicants for incorporation any record, have they any criminal record? Also in 1946 -- now, there is a reference here to bars and bolts clause -- we put that clause in the charter first in 1946, and then in ---

MR. WILSON: Mr. Cudney, it is a little difficult for the reporter. If you will move just a little bit so that he can hear you better.

THE WITNESS: In 1948 we put a new clause prohibiting the charge of ten cents an hour. I mean, that is, if the charters they give any charge at all. These clauses were put in resulting from representations from the police and difficulties they were having, and it was to cure these difficulties that these clauses were added from time to time.

Now, that was put in in 1948 and for a time there, fora year or so, there was a period that if the clause prohibiting the ten cents an hour went in, the applications would not be referred to the police.

Then 1949, some time in 1949, we started to tie down the club premises to a particular address -- 99 Church Street or King Street or some address like that in such and such a city.

Then the present policy, then in July -- end of June, first of July -- of 1950 a policy was formally established that has been followed, with one or two changes, since, and that was that all applications for incorporation of clubs, social clubs, are referred to the Provincial Police and to the local police, and in some cases to the R.C.M.P. -- not just to inquire as to whether the applicants have ---

THE COMMISSIONER: A record?

A. A record, but the policy was to inquire, has been, whether there was any objection from the standpoint of the police, whether the police had any objection. Then we continued, of course, the clause prohibiting the charging of ten cents an hour. We continued the clause on the bars and bolts, but also we added to that

Now, since then and in the 1940s and for a few years, particularly in the, there was a general case of the clause prohibiting the Son Junior to move away in, the marriageable age and be relieved of the obligation.

Then 1960, when Law in 1969, — prompted in the idea and also prevalence of a particular feeling in the Royal Family or Long Forum or some authority the idea is such and such a step.

Then the general policy, then in that — and of course, there is only — of late a policy was formally established, then has been followed, with one or two exceptions, but that was that.

Applications for incorporations of clubs, social clubs, are considered in the jurisdictional review and to the local police, and in some cases to the R.C.M.P. — not just to inquire as to whether the applicants have —

[illegible]

[illegible] a request and the policy was [illegible] that [illegible] any objection from the standpoint of the police, whether the police had any objection. Then we continued, of course, the clause prohibiting the charging of the [illegible] [illegible] the United to the [illegible] have the police, but also be asked to [illegible]

clause in 1950 a clause that if there is gambling paraphernalia the charter would be cancelled. I mean, that was added to the bars and bolts clause in 1950, and for a time we referred -- the reference to the police, the object has been pretty well followed, I mean, with the reference to the police, to inquire if they had objection, has been pretty well followed. The inquiry has been recently a little different, but for a time from about 1950 to, I guess it was 1956 -- I have this all at the office -- from about '50 to '56 we did not grant incorporation unless the prime purpose was, the reason for incorporation, my lord, was to hold real estate.

MR. HOGG: Q. I take it, Mr. Cudney, that this is a statement of policy which you generally agree with?

A. That is right, yes. I mean, this statement is quite, as I say, to analyze the whole thing through, I mean, that is the statement, but I would say from what has been read over here, what appears in that statement, that generally it is quite correct.

Q. Now, was this procedure or this drill that you have told us about, carried out in the application for the Vets Club?

A. No, it was not.

Q. This was a special case?

A. Well, I suppose, yes.

Q. And can you recall any other special cases other than this one and the Frontier and the Roseland?

A. I can recall one other.

Q. What was that, sir?

A. Where they were not referred through. That was the Club Macedonia.

Q. Macedonia Club?

A. Yes. Those were four, I suppose, they would be termed special cases.

Q. So in this case --

A. I mean, there has been in addition to that -- those are cases where -- there has been the other, maybe odd case of inadvertence.

Q. This was not a case of inadvertence, because as I understood your evidence, you were directed?

A. No, I wouldn't say -- that is what I say, I didn't say this one, this one was not an inadvertence.

Q. No.

A. But there may have been the other odd very few cases of inadvertence.

Q. You did not request a police report?

A. No.

Q. And were you directed not to or instructed not to apply for a police report?

A. Well, I don't know whether "directed" or "instructed" Mr. Hogg.

Q. Requested?

A. Well, I inquired if the application should be referred to the police.

C5 Q. Mr. Cudney, why would you?

THE COMMISSONER: I don't think he has finished, he has just paused for breath.

MR. HOGG: Sorry.

A. I was advised that in the circumstances, that it was not thought advised, that it was thought that they should not be referred.

Then I discussed -- this was from my telephone conversation with Mr. Roberts -- and I discussed it with Mr. Dunbar, and the decision was made not to refer them.

Q. You said a moment ago ---

A. I don't know whether "instructed" or "directed" is the right term.

Q. Requested?

A. Requested, yes.

Q. You said that in discussing this matter, did you say, you thought it would not be wise, or somebody thought it would not be wise to apply for a police report?

Q. Did were you discussed not
to or interested not to apply for a
police commission?

A. Well, I don't know whether
"interested" or "discussed" is the
Q. Discussed?
A. Well, I remember if the
application should be referred to the police.
Q. Mr. Gudeon, why would your
[illegible] I don't think
you thought, he has just passed for breath.
Q. Mr. Gudeon?
A. I was referred that on the
afternoon, that it was not thought
advisable, that it was thought that they
should not be interested.
Then I discussed — this was the
my telephone conversation with Mr. Roberts —
and I discussed it with Mr. Dumas, and the
decision was made not to refer them.
Q. You said a moment ago —
A. I don't know whether "interested"
or "discussed" is the right word.
Q. Exactly.
A. Exactly, yes.
Q. You said that in cross-examination
that matter, did you say, you thought it
would not be wise, or necessary thought it
would not be wise to apply for a police
commission?

A. No, I didn't say that I did not think it wise. I could see merit, myself, personally; I mean, it was something that had to be considered which at first flush it seemed, I thought, they were all referred, but that was at first flush, but there seemed certainly to be merit in bringing them under provincial control.

Q. But that really wasn't my question, Mr. Cudney. I thought, and I may be mistaken, that you mentioned two questions ago, that it was considered not wise or it was discussed and somebody said it would not be wise to ask for a police report?

A. Oh, I don't think I said that.

Q. I stand to be corrected.

A. I don't think I said that. If I did it was a slip.

THE COMMISSIONER: If you did it was a slip of the tongue?

A. Yes.

MR. HOGG: Q. Why did you think it necessary to inquire whether a police report should be requested, when the normal procedure was to request a police report?

A. I didn't just get that.

Q. Why did you ask whether you should request a police report when it was the normal procedure, normal drill to request

Q. Mr. Fleming, you just said a lot of
not being at work. I could not qualify.
Why? Somewhere? I mean, it was not something
that had to be predetermined prior to your
first or second, I thought, because all
evidence had been that it first first.
You never seemed surprised to be small
in spite of your quite privileged upbringing.

— Not that really mattered at
Lambrechts. Mr. Fleming, I thought, and I had
to tell them, that you believed and practiced
ego, since it was commissioned and made or it
was just sheer and pressure that it could
not be wrong to ask for a police response.

A. Oh, I don't think I said that.

Q. I meant to be convenient.

A. I don't think I said that.

If I had it was a sign.

THE CONSTABULARY: If you had it was
a sign of the tongue

A. Yes.

Mr. Morgan Q. Why did you think it
necessary by inquire whether a police response
should be convenient, when the normal
procedure was to automatic response a police
response?

A. I didn't just get that.

Q. Why did you ask whether you
should present a police response that it was
the normal procedure, normal drill to response

a police report?

A. Well, my thought was that, I mean, it was well known that these clubs were all, were gambling clubs, there was no doubt about that. I mean, the Centre Road, it had gone back to -- there had been the Alpha Club before. I mean, the history was well known and I mean, this was a case, as I say, that it was to improve a situation that was a bad situation and an attempt to improve it.

Q. So you ---

A. I mean, there is no doubt the police -- we knew about it without the police telling us, we knew about it.

Q. You knew what sort of police report ---

A. That is right.

Q. Would have been forthcoming, and you were familiar with the history of this location, this building, going from the Alpha Club to the Army,Navy?

A. Yes.

Q. And Air Force?

A. Yes. Well, the only reason that the Department has referred it, this application, to the police, is to find out whether the application is just what is -- what is the possibility of being an illegal

gaming establishment or any other illegal activity, but in this case it was known.

Q. You were peffectly satisfied, I take it, at that time, sir, that this premises was a notorious gambling house run by professional gamblers or criminals?

A. I was not as satisfied personally at that time because I heard about it, I heard about it through the Alpha Club and I had heard through, I had seen reports in the papers, from my correspondence that I had with Mr. Common requiring this special return, I knew certainly about it but I didn't -- but I knew more about them later.

Q. And you had reason to believe or suspect that Messrs. Feeley and McDermott were behind this operation or were, as some witness said, the "moving spirit"?

A. Well, I had never heard of Feeley or McDermott at that time. As a matter of fact, just looking back in the report, one of the reports of the Police , I think it is in respect to the Alpha Club that Feeley and McDermott's names appear. I must have read that back around in 1954, but it never occurred to me. At least, Centre Road, I had never heard of Feeley and McDermott, when the whole hearing that I held on the cancellation, their names, I don't think, ever came up. I never

heard of Feeley or McDermott until the conspiracy charges.

Q. Now, when you were called ---

THE COMMISSIONER: I suggest ten minutes recess.

--- Short recess

(Page 1055 follows)

D/RJH/1

---Upon resuming at 11.55 a.m.

MR. WILSON: Mr. Louis Herman is here, and wants to address you in connection with what he says is an erroneous newspaper report of the evidence of this witness yesterday.

MR. BREWIN: Couldn't Mr. Herman be called when this witness is through?

THE COMMISSIONER: I don't know whathe is going to say.

MR. BREWIN: I don't either. He should give evidence.

THE COMMISSIONER: He is going to give evidence. I will see to that.

MR. HERMAN: Your lordship, of course, knows my name, which was mentioned here many times.

THE COMMISSIONER: Yes, I know who you are.

MR. HERMAN: Well, it has been mentioned here many times.

THE COMMISSIONER: You are Mr. Louis Herman.

MR. HERMAN: Yes. Your lordship, many things have been said about me in my capacity as solicitor, and I have to take those things, and I want to give evidence in due time if the Commission wishes to give me that permission, and a few minutes ago I asked your lordship if I might see you for that purpose, and you thought it was not adviaable.

THE COMMISSIONER: I thought it not advisable

—Open session at 11.32 a.m.

MR. VIGNOLI: Mr. Lucas knows he has, and seems to address you in conversational style that he says is an irrelevant consideration insofar as the evidence of this witness goes.

MR. LUCAS: Counsel's Mr. Lucas to assist that witness is thought.

THE CHAIRMAN: I don't know whether he really is going on.

MR. MORGAN: I don't object, Mr. Chairman, give evidence.

THE CHAIRMAN: He is going to give evidence. I will see to that.

MR. HERMAN: Your Lordship, of course, there is none, unless you mentioned this step first.

THE CHAIRMAN: Yes, I know who you are.

MR. HERMAN: Well, it has been mentioned some many times.

THE CHAIRMAN: You are Mr. Louis Herman.

MR. HERMAN: Yes. Your Lordship, many things have been said about me in my capacity as solicitor, and I have to take them thinking, and I want to give evidence in due time if the commission allows to give me that privilege, and a few minutes ago I moved your Lordship if I might see you for that purpose, and you thought it was not advisable.

THE CHAIRMAN: I thought it was advisable

that you should see me privately.

MR. HERMAN: Quite right, your lordship, I must absolutely agree with that. That was the only manner in which I knew, at the moment, on the suggestion of Mr. Wilson, so I might bring this to the attention of the Commission.

THE COMMISSIONER: As I understand you, you say that some of the proceedings that took place here yesterday, were incorrectly reported, and you want to correct it?

MR. HERMAN: Yes, my Lord. I am just coming to that. I want to state the background ---

THE COMMISSIONER: Just a moment, that being so, rather than make a statement now, I think it would be advisable, of course, that you go in the box and correct it.

MR. HERMAN: That is what I was going to suggest to your lordship when I asked to see you. Of course, as long as I am granted that privilege.

THE COMMISSIONER: Yes, by all means, Mr. Herman.

MR. HERMAN: Fine. If the witnesses are excluded, I will wait outside. I don't know -- I have not been here until a few minutes ago.

THE COMMISSIONER: If you are to give evidence, and any counsel want you in respect to the --

MR. BREWIN: I don't wish to exclude Mr.

that you should not be privately.

Mr. [illegible]: Quite right, your Honour, I must absolutely agree with that. That was the only manner in which I knew, as the moment, on the representations of Mr. [illegible], he I might [illegible] to the prosecution of the [illegible].

THE CONVENTIONER: As I understand you, you may then move at the prosecution that [illegible] [illegible], and [illegible] [illegible].

Mr. [illegible]: [illegible] I do not [illegible] be [illegible]. I must do those [illegible] —

THE CONVENTIONER: Just a moment, that being so, [illegible] I [illegible] [illegible], do [illegible], that you go in the box and [illegible].

Mr. [illegible]: That is what I was going to suggest to your Honour when I moved to [illegible] you. Of course, as long as I am [illegible] [illegible].

THE CONVENTIONER: Yes, by all means, Mr. [illegible].

Mr. [illegible]: Yes. If the [illegible] are [illegible], I will [illegible]. I don't [illegible] — I have not been [illegible] a [illegible] [illegible].

THE CONVENTIONER: If you are in [illegible] evidence, and any [illegible] [illegible] to be [illegible] —

Mr. [illegible]: I don't wish to exclude Mr.

Herman, sir. I think if the present witness is giving evidence, it will not in any way affect Mr. Herman. I would be glad for him to be here, so that we won't have to explain it to him.

THE COMMISSIONER: Very well, Mr. Herman, you may remain.

MR. HERMAN: Thank you, my lord.

MR. HOGG: Q. I think before the recess, sir, you had told us that you had a discussion with Mr. Roberts, the Attorney General?

A. Yes.

Q. And at that time it was discussed, and decided, that no police report would be requested?

A. Yes.

Q. And this is what you were advised?

A. I didn't say, Mr. Hogg, it was decided, I said I would have to refer it to my Minister, as to whether there would be a referral to the police.

Q. I take it Mr. Roberts requested you not to ask for a police report?

A. Yes.

Q. And not only —

THE COMMISSIONER: Now, who is "they" — did somebody actually request you not to ask for a police report?

THE WITNESS: Well Mr. Roberts telephoned me, and told me that Mr. Herman would see me in respect to these clubs that were — the three

that were operating under federal charter, and that the purpose was to bringthem under provincial charters, so that there would be control over them -- where there wasn't provincial control -- where there wasn't any provincial control over them at that time, and I mentioned to him if there would be referral to the police, and he said in the circumstances, "I don't think that there will be", through being that -- there were three clubs that were already operating, and the circumstances were well known, at least, it was alleged what the three clubs had been doing, and it was to make a bad situation better, to bring them under more control.

MR. HOGG: It was requested of you, or suggested to you, that the report not be sought from the Provincial Police?

A. Yes.

Q. In addition to that, sir, you did not inform the Provincial Police of what was transpiring, if I may call it, the switching of the charters, or the substitution of charters?

A. No, I didn't.

Q. And were you requested, or instructed, not to notify the police, or was this matter discussed?

A. Well, I told Mr. Roberts I would have to discuss it with my Minister, Mr. Dunbar,

and was carrying some Imperial Guards, and that the purpose was to brighten their physical capacity, so that there would be mainly one-time — there there would privileged activity — some Guard would be preliminary medical exam. Then it took time, and I mentioned to him if there could be referral to the police, and he said in the circumstances, "I don't think that there will be", through being that — there were three clubs that were already operating, and the attendances were well known, or local, was aligned what the three clubs had been doing, and it was to make a real education better, to bring them under more control.

M. Fenn: If was referred to you, is suggested to you, that the report not be sought from the Provincial Police?

A. No.

Q. In addition to that, etc., you did not inform the Provincial Police of what was happening. If I may call it, the switching of the events, or the substitution of committee?

A. No, I didn't.

Q. And were you requested, or instructed, not to notify the police, or was this matter discussed?

A. Well, I told Mr. Roberts I would move to discuss it with my minister, Mr. Dunbar.

especially in respect to the nonreferral to the police, and I saw Mr. Dunbar - Mr. Roberts had mentioned that Mr. Herman would see me very shortly, and in the meantime I saw Mr. Dunbar, as I recollect, and he had not heard of these applications being made, and we discussed it, and nothing was decided at that time, and then Mr. Herman saw me, and when the applications were in I intimated to Mr. Herman at that time that I would have to take it up with Mr. Dunbar in respect to the non-referral. And then I saw Mr. Dunbar, and I gathered that he had talked -- that Mr. Roberts had spoken to him, because he said - -

Q. Was the answer to my question "Yes" or "No"?

THE COMMISSIONER: Well, it was a long answer.

THE WITNESS: Yes,I would not say instructed I mean, I was advised not to refer them.

MR. HOGG: Q. Not to notify the police?

A. That is right, sir.

Q. Then, sir, so far as you and your department were concerned, this was done behind the back of the police, if we can use that expression? Let me put it this way - you have gone extensively over with my lord the Commissioner, over the policy on the question of social clubs, and you have told us that change after change, and item after item were put in

[illegible] in [illegible] on [illegible] radio, and I was Mr. Dunbar - Mr. Roberts had [illegible] Mr. Dunbar could see me [illegible] directly, and in the meantime I saw Mr. Dunbar, as I recollect, and he had not heard of these applications being made, and he discussed it, and [illegible] Mr. Dunbar, and then Mr. Harmon saw me, and when the applications were in I introduced to Mr. Harmon at that time that I would have to take it up with Mr. [illegible] Mr. Dunbar, and I believe that in had talked -- that Mr. Roberts had spoken to Mr. Harmon [illegible] --

Q. Was the answer to my question "Yes" or "No"?

THE CHAIRMAN: Well, is was a long answer.

THE WITNESS: Yes, I would not say [illegible] I mean, I was advised not to refer them.

MR. MORSE: Q. Not to notify the police?

A. That is right, sir.

Q. Then, sir, so far as you and your departments were concerned, this was done behind the back of the police, if we can use that expression? Let me put it this way - you have gone extensively over with my learned friend, over the policy on the question of social clubs, and you have told us that change after change, and then after that there was in

at the request of the police, because of the problem that they were having controlling these professional gamblers. But on this occasion the police were not notified. My question to you is, was this done behind the back of the police?

A. Well, I don't know if that is an expression -- behind the back of the police -- the police were not - - -

THE COMMISSIONER: Just a moment. When you say you do something behind somebody's back, it is an innuendo that is distasteful.

THE WITNESS: That is what I thought.

MR. HOGG: Without the knowledge of the police?

A. Yes, without the knowledge of the police, so far as I know.

Q. And you subsequently learned that -- as I think Mr. MacKinnon put it --it was a fait accompli that the police were astounded?

A. I did not learn that the police were surprised. I mean -- Chief McGill, I think at the hearing -- at least-- I do recall at the hearing in regard to the cancellation of the Centre Road Club, my lord, he mentioned that the police -- it had not been referred to the police -- he was surprised it had not been referred. I don't recall that the Provincial Police, as came out earlier in the evidence this week, knew about it. They were

of the property of the police, because of the problem that they were having establishing their professional position. But as this commission the police were involved. Is question is you is, was this done through the hands of the police?

A. Well, I don't know if that is an expression -- behind the backs of the police -- the police were just - - -

THE CHAIRMAN: Just a moment. When you say you do something behind somebody's back, it is an insinuate that is dishonestful.

THE WITNESS: That is what I thought.

MR. HOOD: Without the knowledge of the police?

A. Yes, without the knowledge of the police, as far as I know.

Q. And you unconsciously learned that -- or I guess Mr. Hutchison put it -- it was a full assumption: that the police were informed?

A. - I did not learn that the police were informed. I mean -- that really should take at the hearing -- as I recall -- I do recall at the hearing in regard to the cancellation of the Centre Road Club, my lord, he mentioned that the police -- it had not been referred to the police -- he was surprised it had not been referred. I don't recall that the Commercial Police, as some put earlier in the evidence this week, have done it. They were

not in touch with me on it at all. I cannot say whether they were surprised or --

Q. Now, the first you heard of this matter, of the issuance of the new charters, was when you received this telephone call from Mr. Roberts, the Attorney General?

A. Yes.

Q. That was followed up by a memo, sir?

A. No.

Q. Or a letter?

A. No, it wasn't.

Q. It seems that most things that were discussed here were followed up by rather voluminous correspondence, but in this case there was none?

A. No, there was none.

Q. Now, Mr. Roberts advised you that Mr. Louis Herman Q.C., would be coming to see you in connection with this matter?

A. Yes.

Q. And I take it, Mr. Herman attended at your office?

A. Yes.

Q. And what, if anything, did he bring with him?

A. Well, as I recall, he had just the three applications for incorporation of the three clubs.

Q. This telephone call and I think I have the date right - from Mr. Roberts,was

not in keeping with you or if at all, I thought

you (Dailey) had been admitted or —

Q. Now, the first you heard of this

matter, of the business of the bar association,

was when you received this telephone call from

Mr. Sawyer, the Alameda County?

A. Yes.

Q. That was followed up by a wire,

did?

A. No.

Q. Or a letter?

A. No, it wasn't.

Q. Therefore that must bring that

very thought into well defined as by whom

authorized (correspondence, but at this time

there was none)

A. No, there was none.

Q. Now, Mr. Dailey advised you that

Mr. Louis Herman S.C., would be coming to

see you in connection with this matter?

A. Yes.

Q. And I take it, Mr. Herman

attended at your office?

A. Yes.

Q. And when, if anything, did he

bring with him?

A. Well, as I recall, he had just the

three applications for incorporation of the three

clubs.

Q. This telegram will be read I

5th of July, 1957?

A. No, it was in June. It was some time in June. I think it would be the latter part of June, Mr. Hogg.

Q. And Mr. Roberts advised you that Mr. Herman had seen him?

A. Yes.

Q. And that the Clubs had professed their innocence, and this referred to the Vets Club?

A. Yes.

Q. And as evidence of good faith, they would take out provincial charters?

A. Yes.

Q. I take it that whoever were running these Clubs, they were the people who had professed the good faith, and professed their innocence?

A. Yes.

Q. You have indicated --

A. At least, all I know is what I just heard in the telephone conversation, that they had professed their good faith.

Q. Now, you have told us at some length about the matter of the federal charters, indicating to Mr. Commissioner that it was extremely difficult for you to have those -- or impossible to have those charters cancelled?

A. Yes.

Q. And because -- as I gathered from

your evidence -- because clubs or the gamblers had these federal charters, they were able to continue their operations?

A. Well, that seemed to be -- yes, yes -- the only procedure was a court proceeding, which I understood was to be instituted by the federal department.

Q. That while they had -- it was a condition precedent to a gambling club, the operating, to have a charter ---

THE COMMISSIONER: No, no, just a moment. That is not what he has been saying.

THE WITNESS: No, I did not say that at all.

THE COMMISSIONER: Just a moment, please. You put it to him on the complete condition of precedent to a gambling club to have a federal charter --

MR. HOGG: To have a charter, sir.

THE COMMISSIONER: To have a charter?

MR. HOGG: Yes.

THE COMMISSIONER: He has not said that at all.

MR. HOGG: I put that in the form of a question.

THE COMMISSIONER: All right.

MR. HOGG: Q. In order for these gambling clubs, or groups, to carry out their activity, they need a charter?

A. No, they don't, Mr. Hogg.

Q. They don't?

A. No.

Q. What was the advantage then for the Vets Club, or the Alpha Club, having a federal charter?

A. That I have never been able to explain. I mean, there is nothing at law to require any one to incorporate a club or otherwise.

Q. Is it not obvious that the people who were running these clubs regarded these charters as valuable assets?

A. Yes, they seemed to regard it.

Q. When the Attorney General called you was it his statement, or is it the gist of his statement, that the club was willing to give up their charter, their federal charter, to surrender it voluntarily?

A. Yes, that they would discontinue it.

Q. Could you think of a reason, sir, why this Club, who had a charter, which was apparently uncancellable, would give it up?

A. Well, that was a condition they did not -- it was decided that the incorporation would be granted provincially, if they would undertake to discontinue the federal charters, and that was a condition upon which it was granted.

Q. Sir, you sat in Court, and listened to the evidence this week, or part of it?

Q. Did you see the advertisement in the Alpha Club, saying a judgment

A. I have never read the advertisement.

Q. Have you never read the advertisement. I have to remind you that you are under oath.

A. Yes, I have to remind me of the advertisement.

Q. Is it not obvious that the people who read advertisements with interest

A. Yes, they seemed to enjoy it.

Q. Then the Honourable General asking you was it the advertisement, or is it the idea of the commercial, that you are selling it

to a Swift electrical, Swiss National Insurance, to purchase it voluntarily

A. Yes, they may really appreciate it.

Q. Could you think of a reason, sir, why this club, you had a director, and apparently

commercialism, would give it up

A. Well, that was a rhetorical question

Q. It was decided that the Incorporation would be dissolved involuntarily, if they would

continue in discussion the Swiss National Insurance

and that was a condition upon which it was

dissolved.

Q. Sir, you said in court, and listened to the evidence this week, or part of it

A. Yes.

Q. As I understand it, the police since 1951, or 1952, were continually raiding the establishment -- that first house -- the Alpha Club, and later on the Army, Navy and Airforce Club, and had been unsuccessful in obtaining a conviction, and their representations had not resulted in the cancellation of the federal charter?

A. Yes.

Q. Yet the directives, or the moving spirits of the Club apparently suddenly decided to give this up?

A. Yes.

Q. Now, did the Attorney General indicate to you why, when they had -- if I might use the expression -- such a good thing, they would give it up?

A. No, what I gathered was this --

MR. COMMISSIONER: Just a moment, please. All the knowledge that you had came from the Attorney General's Department, or Mr. Herman?

A. That is right. Yes, that is right, my lord.

MR. HOGG: Q. And did either of those gentlemen advise you why the Club would relinquish their federal charter, when they did not have to?

A. The only knowledge I had, from what Mr. Roberts said, they were willing to give up their federal charters as good faith, and

come under provincial charters.

Q. Did you have any information, sir, that these charters were already in jeopardy, and that the time was close approaching when they would be cancelled in any event?

A. No. I had no information.

Q. You have had no information as to whether that was or not?

A. No. It is entirely new to me.

Q. Now, did they in fact, sir, give up their federal charters -- these three clubs?

A. They undertook to discontinue their operations.

Q. My question, sir, was whether in fact they did give up their federal charters?

A. I don't know if they did or not.

Q. But Mr. Herman gave the undertaking so to do, if provincial charters were issued?

3/D

THE COMMISSIONER: No, that is not right.

MR. HOGG: I am sorry, sir.

THE COMMISSIONER: The undertaking was that this federal entity would not be operating a club house or club rooms in this area.

THE WITNESS: Yes, that is right, yes.

THE COMMISSIONER: Or in Ontario.

THE WITNESS: In Ontario, yes, that they would discontinue their operations.

MR. HOGG: Now, when Mr. Herman came to see you following the call from the Attorney General, what did he say?

A. Well, as I recall, and recollect, he came in with the three applications, and it was referred to, that the Attorney General had mentioned the matter to me, and he said, "Here are the applications." I cannot recollect just what he said, other than, "These are the applications", and I mentioned that we would require these special returns to come in to be filed as a condition of granting the corporation, and also as a condition to granting the corporation we would require the undertakings to discontinue the operation.

Q. Did you make any notes of this interview, sir?

A. No, I didn't.

Q. Were you surprised, knowing the background of the Alpha Club, and the Army and Navy Club, that the charter was to be issued, or did you regard the explanation given as sufficient?

A. Well, to be frank -- at first -- at first glance it seemed rather to incorporate them, but then on second thought ---

THE COMMISSIONER: At first what?

A. On second thought ---

Q. At first what?

A. At first it seemed rather unusual to incorporate them, but on second thought, there was a merit in it, because there was a way to bringing them under provincial control, and

putting clauses in their charter like bars and bolts. It was not issuing three charters to people who were not operating, it was issuing in substitution of three that were operating, and which there had been difficulty with, and giving them three provincial charters. It provided things like the bars and bolts clause, the clause prohibiting charging ten cents an hour -- actually the Veterans had not occurred, -- but that happened to be another which were different -- the Veterans' prohibition, and also a clause in the Corporations Act, the Ontario Corporations Act, whereby the charter could be cancelled, and they were --

Q. I am sorry --

A. And therefore, there seemed to be merit in -- the more I thought it over in granting the charters -- it wasn't a case of granting three new charters to people who were not operating these -- these were in substitution to make, as I have said earlier, my lord, to make a bad situation better.

Q. If it had been the case of issuing three new charters, then I take it you would have -- to these people?

A. Yes, oh, yes, quite. And the result, Mr. Hogg, if I may say this, my lord, that as a result of giving these three charters, two have been cancelled, and the third one is now on the way.

Q. Now you are basing your statement, sir, I take it, on the supposition that the federal charters would have continued in effect?

A. Yes, as far as I know.

Q. Or the local branch would continue, in effect?

A. Yes.

Q. And I take it that if that is not the case, then your view would be different?

A. If -- ?

Q. If that is local?

A. It continued, yes. It would have been, yes.

Q. Had ceased?

A. Yes, it would have been. You mentioned a moment ago, Mr. Hogg, did I have any knowledge that proceedings of that kind were to be carried on, that is the first time I heard of them.

Q. Mr. Cudney, when Mr. Herman came to see you, I take it you discussed this matter with Mm, of the new charters, and did he inform you as to who the applicants were?

A. Well, the applicants were --

THE COMMISSIONER: You could see that in the application?

A. Yes.

MR. HOGG: Q. Did you ask him who they were, or had they been connected with the prior Club?

A. No, I didn't.

Q. Did you ask him for a membership list?

A. No -- well, we had got as a condition to the incorporation, we had a list -- I acquired previously from the return a list of members, and I understood that they would be the same members.

Q. Did you inquire of him, or anybody, whether this list of members contained professional gamblers, or criminals?

A. No.

Q. Or people who were in disfavour with the police?

A. No.

Q. Did Mr. Herman have anything to say to you about the professed innocence on behalf of those running the club, and their evidence of good faith?

A. Now, Mr. Hogg, he might have, I cannot recollect that actually -- perhaps he did, I cannot say whether he did or not. He brought in the three applications, and I required those conditions. He might have, perhaps he did.

Q. Was Mr. Herman aware that you were not going to notify the police?

A. Well, I told him in respect to the police reference that I would have to mention it to my Minister, Mr. Dunbar. I cannot recollect --

I cannot recall the Attorney General -- I don't know whether Mr. Herman was in the Attorney General's office when he called me, or whether he had just left the Attorney General's office.

Q. Was Mr. Herman concerned whether the police would be notified?

THE COMMISSIONER: Did he express any concern?

MR. HOGG: Yes, did he express any concern, or show any concern?

A. I cannot recall he did. I am doing my best to recollect, Mr. Hogg, but I cannot. He might have, I cannot recall that he did, I frankly --

Q. And you say he might have been in the Attorney General's office when the telephone call --

A. I don't know -- the Attorney General -- apparently he had just left, or was there when the Attorney General --

Q. He came in to see you right after?

A. As I say , this is some five years ago. Now, I think it was a day or so after when he came in, because the Attorney General said to me, "Mr. Herman will drop down to see you with these applications".

Q. Was any appointment made? Do you put it in thebook?

A. No, I didn't then. An appointment was made. I have -- I don't know whether my appointment books go back -- they go back to 1959. I don't know if they go back to 1957.

I cannot recall the attorney general -- I don't
have minutes of, through not in the [illegible]
[illegible] [illegible] be right. Mr. [illegible]
[illegible] [illegible] [illegible]
[illegible] [illegible] [illegible]
[illegible] [illegible] [illegible]

THE CHAIRMAN: Did he suggest any amendment
[illegible] [illegible] [illegible] [illegible]
or alter any amendment?

A. I cannot recall to this. I am going
to have to consider, Mr. Hogg, but I cannot. My
right hand, I cannot recall this to me. I [illegible] --
[illegible] [illegible] [illegible] [illegible]
the Attorney General's office when the [illegible]
[illegible] --

Q. I don't know -- the Attorney General --
[illegible] [illegible] [illegible] [illegible]
the Attorney General --

Q. [illegible] [illegible] [illegible]
[illegible] [illegible] [illegible] [illegible]
ago. Now, I think it was a day or so after
[illegible] [illegible] [illegible] [illegible]
made to me, "No, [illegible] will drop down to see
[illegible] [illegible] [illegible]".

Q. [illegible] any [illegible] [illegible]
[illegible] [illegible] [illegible]

A. Mr. I didn't [illegible]. [illegible]
was made. I know -- I don't [illegible] [illegible]
approximately [illegible] -- [illegible] [illegible]
I don't [illegible] [illegible] [illegible] [illegible].

Q. I may have asked this question before, did Mr. Herman know when he saw you, or informed you, or let you know, that his information was that you might well not be notifying the police, or requesting a police report?

A. Well, it is hard to recollect, because I believe he did use -- I believe he did --

THE COMMISSIONER: Believe he did what?

A. Know that there would not be a reference, or suggesting later that there would not be a reference to the police.

THE COMMISSIONER: He suggested that?

A. No, my lord, that he knew that the thought was not to refer it to the police. Now, I cannot say this -- it is very hazy, actually I should not say this -- I am just guessing.

MR. HOGG: Q. Mr. Cudney, is there any reason you didnot notify thepolice that applications were being made for these charters? Now, we have gone over the groundwork aspect of a report for the individuals with a criminal record, and so on, I am not talking about that. Is there any reason why you did not notify the police that you knew charters were being applied for?

A. Well, no, because I had mentioned it to Mr. Roberts, and whether there should be referral, and he said he did not think so, in

the circumstances, and then I had mentioned it to Mr. Dunbar, and was advised that they would not, so therefore I would not refer it.

D/4 Q. Did you write a memo to Mr. Dunbar, the Minister?

A. No.

Q. This was all done verbally?

A. Verbally, that is right.

Q. A different manner than the cancellation, in which there seems to be a multitude of documents going back and forth. This was done --

A. Well, yes, in the cancellation, yes, there is letters to be written to other departments, this was entirely a --

Q. I just notice, sir, on the cancellation, where you have written memos to the Minister concerning these matters?

A. Yes, on the cancellation, yes.

Q. Now, did you discuss with the Attorney General whether or not he was going to notify the police, or his Department?

A. Did I notify -- ?

Q. Did you discuss with theAttorney General whether he was going to notify the police?

A. No, I didnot.

Q. Now, from the date of the first call until the charters were actually issued -- a lapse of time of how long, took place?

A. Well, as I recall, Mr. Hogg, it was

in the latter part of June. The special returns were required -- I have a note on the 12th of June, 1957 -- the returns did not come in, and I received a call from Mr. Roberts, which I think, to the best of my recollection, was either the middle or the latter part of June, and Mr. Herman must have seen me, as I recall not long after that -- and then I have a letter on file from Mr. Herman dated June 28th, in which he refers to the undertaking that I had required.

Q. Now, you spoke to Mr. Dunbar following your conversation with Mr. Roberts?

A. Yes.

Q. And was Mr. Dunbar aware of this?

A. Not at that time, no.

(Page 1075 follows)

MR. HOGG: Q. Later on, was he?

A. Yes, because I then went back, and spoke to Mr. Dunbar, after the applications were in. I am speaking, as I say, from recollection. I do remember the first time I spoke to him he was not aware of the applications being made, and then I recall that the second time, he - I gathered that he had - was aware of it, and it was not necessary to refer it.

Q. Did you receive any instructions from Mr.Dunbar the second time to issue the Charters?

A. Well, I - I remember going - I didn't see Mr. Dunbar, and told him that the applications were filed, and as I remember, what the undertakings were, and as I say I gathered that he had been spoken to, and I told him about the referral, and should we refer them, and he said no, to - to not to refer them.

Q. Normally - -

MR. MacKINNON: I didn't get the last.

MR.HOGG: He said not to refer.

THE COMMISSIONER: Not to refer them.

THE WITNESS: Not to refer them.

MR. HOGG: Not to refer them?

A. To the police.

Q. To the police, and to issue the charters?

A. That is right.

Mr. ROSS: Q. Under you, was he?

A. Yes, because I then went back to Mr. Bunker, after concluding what it. I am speaking, as I say, from recollection. I do remember the first time I spoke to him he was not aware of the applications being made, and when I recall that the second time, is - I believed that he had - was aware of it, and it was not necessary to refer it.

Q. Did you receive any instructions from Mr.Bunker the second time to issue the Caveats?

A. Well, I - I remember going - I think see Mr. Bunker, and told him that the applications were filed, and as I remember, what the conversation were, and as I say I personally that he had been spoken to, and I told him about the receipt, and should we refer them, and he said no, to - to not to refer them.

Q. Normally - -

Q. [illegible] I think yet the last?

A.HOWE: he said not to refer.

THE CHAIRMAN: Not to refer them.

THE WITNESS: Not to refer them.

Mr. HOWE: Not to refer them?

A. To the police.

Q. To the police, and to issue the caveats?

A. That is right.

Q. And I take it, sir, that this was an unusual matter in consulting the Minister; normally this would be a routine matter, that would go through your office, and the Minister would not be consulted?

A. Yes. Well - -

THE COMMISSIONER: You had - you had discussions with the Attorney General's Department?

A. Yes, yes, yes.

MR. HOGG: I believe you told us on other cases you did not have any discussions with the Attorney General's Department, you operate on your own initiative?

A. You mean on an ordinary club application?

Q. Yes, sir?

A. No, on the ordinary club application we refer it to the Provincial Police, the local Police and then the odd time we take the matter up with the Attorney General's Department. Therewould be a discussion, but it would not - it would certainly not - on every application. Maybe the very odd one.

Q. Did you request Mr. Roberts to speak to Mr. Dunbar about this matter?

A. No, I don't think I did.

Q. If I may have a look at the Charter. This contains what is commonly

Q. Yes, I know, but this was an annual matter in connection the military. Normally you would go to a meeting rather, and would go through your office, and the minutes would not be communicated.

A. Yes. Well -

THE CONSTABLE: You had - you had attended with the Attorney General's Department.

A. Yes, just [illegible]

MR. MOOS: I believe you told us on other occasions you did not have any discussions with the Attorney General's Department, you mentioned on your own initiative?

A. You mean on an occasion, the Magistrate?

Q. Yes, sorry.

A. No, on the military side application we dealt it to the Treasurer's Office, the local Police and then the odd time we came the matter up with the Attorney General's Department. Transmitted to a discussion, but it would not - it would certainly not - on every application. Quite the [illegible] did.

Q. Did you receive any answers to [illegible] Department [illegible]?

A. No, I don't think I did.

Q. If I may have a look at the document. This document was to commit

known as a bar and bolts clause.

THE COMMISSIONER: Well, it is obvious. It has been read.

MR. HOGG: And that enables the Provincial Secretary, does it, in his discretion, to cancel the charter if that provision has been violated?

A. Yes. Yes.

Q. So, moving on to the matter of the cancellation of the Charter, if it is, - if it is a fact that bars and bolts existed on the door of the premises, that is sufficient for a cancellation?

A That is true, yes.

Q. Now, after the Charters were issued, you continued to get complaints from the Police?

A. No, no, we didn't. Our first complaint - -

Q. Or from the police to the A.G.'s Department?

A. I would say I didn't, except that the Attorney General's Department - the first complaint I got was when one of our solicitors, Miss Hunter, spoke to me in September about Chief McGill's telephone call complaining about illegal gambling.

Q. There was no - -

A. Or September, 1959, I am sorry.

known as a gun and knife clubs.

Can constitutional rail, it is obvious, if has been read.

Q. Now, let me ask you the preliminary hearing, then is, in the alternative, if proof the matter if was prejudice the case either.

A. Yes. Yes.

Q. So, moving on to the matter of the accreditation of the charges, if it is, - if it is a fact that guns and knife clubs on the door of the premises, that is sufficient for a conviction?

A. That is true, yes.

Q. Now, after the charges were issued, you continued to get complaints from the police?

A. Ma, no, no didn't. Our first complaint - -

Q. Or from the police to the A.G.'s Department?

A. I would say I didn't, except that the Attorney General's Department - the first complaint I got was when one of our solicitors, Miss Hunter, spoke to me in September about Chief Hall's telephone call concerning Great Liquor Licence.

Q. There was no - -

A. Of Ministry, 1979, I do not

Q. There were no complaints to you before that?

A. No, no.

Q. Do you know whether there were any complaints to the Attorney General's Department?

A. I don't know.

THE COMMISSIONER: Well, ask the Attorney General's Department that.

MR. HOGG: Now, after this matter was brought to your attention by your solicitor, there was a considerable amount of correspondence regarding the Vets' club?

A. Yes. Well, yes, that was - the first letter was September 22nd, 1959, and then there was the Provincial Police reports in --

Q. And you say - -

A. October.

Q. And on the 4th of November, 1959, the Attorney General's Department wrote to Mr. Frank Wilson, and enclosed a copy of the Provincial Police report dated October 7th?

A. Um,hm. Yes. That was - yes.

Q. And in this report is enclosed a reference to the bars and bolts?

A. Yes. I think the other reports referred to that too.

Q. And then Exhibit 41 is a letter

Q. There were no complaints to you before that?

A. No, no.

Q. Do you know whether there was any complaint to the Attorney General's Department?

A. I don't know.

THE CONSTABULARY: Well, ask the Attorney General's Department that.

MR. MEGGS: Now, after this matter was brought to your attention by your solicitor, there was a considerable amount of correspondence regarding the Vera' club?

A. Yes. Well, yes, that was - the first letter was dated July, 1957. And then there was the Provincial Police reports in --

Q. And you say - -

A. October.

Q. And on the 4th of November, 1957, the Attorney General's Department dated to Mr. Frank Wilson, and enclosed a copy of the Provincial Police report dated October 7th.

A. Oh, yes. Yes. That was - -

Q. And in this report is enclosed a reference to the bars and bottles.

A. Yes. I think the Attorney General referred to that too.

Q. And that Exhibit 81 is a letter

from Mr. Bowman addressed to you. He encloses a police report and a letter from Commissioner Clark of the O.P.P., which has been filed as an exhibit, and the last paragraph reads in part:

"As it seems obvious that this "club is operated by an organized "group of individuals of questionable "character I would recommend that "the - that the charter be cancelled "immediately."

And he encloses a copy of a police report dated August 28th, '59, and in addition to referring to the bars and bolts there is a statement concerning the people found-in, and I believe, if I am correct in my addition, that some 28 out of the 45 have rather extensive criminal records, or certainly records for gaming. I see one man here has twelve or fifteen convictions. Now, I believe you told us, Mr. Cudney, that it was only necessary in order to cancel the charter that one of the clauses of the Letters Patent be violated?

A. That is right, yes.

Q. And if it can be shown that there were bolts and bars on the doors, then that would be sufficient for the cancellation?

A. Yes, that is true, yes. Yes.

Q. And there was a period from the early fall of 1959 until the early summer of

from Mr. Jones [illegible] in [illegible]. He enclosed a police report and a letter from Commissioner Clark of the O.K.P., which has been filed as an exhibit, and the last paragraph reads in part:

"As it [illegible] this

"club is operated by an organized

"group of individuals of questionable

"character. Little [illegible] has

"the - that the counter be operated

"immediately."

And he encloses a copy of a police report dated August 20th, '38, and in addition to referring to the bars and bolts there is a statement concerning the people found-in, and I believe, if I am correct in my addition, that [illegible] of the 10 have taken [illegible] criminal record, or [illegible] for gaming. I see one man here has twelve or fifteen convictions. Now, I believe you told us, Mr. Gurney, that it was only necessary in order to cancel the charter that one of the officers of the Lodge should be violated?

A. That is right, yes.

Q. And if it can be shown that there were bolts and bars on the doors, then that would be sufficient for the cancellation?

A. That [illegible] yes.

Q. And there was a period from the early fall of 1939 until the early summer of

1960 before the Charter was actually cancelled?

A. Yes. There is a sequence of events there which I explained yesterday, Mr. Hogg.

Q. And in that interim, there was apparently a number of conferences between the Ministers of the Crown and two Deputy Ministers, a Director of Public Prosecutions, and three or four lawyers, considering this matter, and writing memorandums and letters on it, and likely enough everyone in the Township would be aware the door of this club had bolts and bars on it, would that be a fair statement?

A. That is true, yes. Yes.

Q. And yet do you mean that it took that period of nine months, and the individuals that I have referred to, to bring this matter to a conclusion, and meanwhile this club was operating?

THE COMMISSIONER: Well, the nine months, or whatever it is, expired in the meantime it was operating?

MR. HOGG: Yes, that is a fact.

A. I explained, Mr. Hogg, the sequence of events. As I say the - you cannot always - it is necessary to confer on these matters before a charter is cancelled.

THE COMMISSIONER: Is it the policy of the Department, before cancelling a Charter,

[illegible]

A. Yes. There is a sequence of events that which I explained yesterday, Mr. Moore.

Q. And in that interim, there was typewritten a message [illegible] the [illegible] of the [illegible] and the [illegible] [illegible], a director of [illegible] [illegible], and three or four lawyers, conferring this matter, and writing memorandum and letters on it, and finally enough everyone in the Department [illegible] the [illegible] and [illegible] and been on it, would that be a fair statement?

A. That is true, yes. Yes.

Q. And yet do you mean that it took that period of nine months, and the conferences that I have referred to, to bring this matter to a conclusion and [illegible] [illegible] and [illegible]?

THE COMMISSIONER: Well, the nine months, whatever it is, explained in the evidence of Mr. [illegible].

MR. MOORE: Yes, that is a fact.

A. I [illegible]. Yes.

The sequence of events. As I say the - you cannot always - it is necessary to confer on these matters before a director is consulted.

THE COMMISSIONER: Is it the policy of the Department, before [illegible] [illegible],

to notify the club, so that they will have an opportunity - to notify the Corporation, so that they will have an opportunity to make whatever representations it thinks proper?

A. Yes, my lord. What we did, we - -

THE COMMISSIONER: In other words, you don't -

A. Oh, no.

THE COMMISSIONER: You don't cancel a charter like you break off a pipe stem?

A. Oh, no, we write a letter, my lord, to the Club, advising them that it has been brought to our attention that something, a conviction, or - and then we say that unless cause is shown to the contrary, the charter will be cancelled in one week, and that gives the opportunity of asking for a hearings. There is a week - a period of a week.

MR. HOGG: Yes. Exhibit 41 is dated October the 5th, that is a letter from Mr. Bowman, enclosing the Commissioner Clark's letter of September 4th. That is about five weeks. Had you requested a report from the Attorney General's Department?

A. No. No, I hadn't.

Q. And the covering letter refers to a conversation between you and Mr. Bowman. Do you recall the gist of that conversation?

on society was plain, so that that will have no importance - to notify the Commission, so that we will have an opportunity to view [illegible] representations if issued yesterday.

A. Yes, my Lord. What we [illegible] we --

THE CHAIRMAN: Infinity [illegible], you know?

A. Oh, no.

THE CHAIRMAN: The Lord's [illegible] a shortcut like you break off a piece where?

A. Oh, no, we write a letter, my Lord, to the Club, advising them that it has been brought to our attention that something a [illegible], or - and then we may [illegible] found to [illegible] in the minutes, the matter will be concluded in one week, and that gives the opportunity of making for a hearing. There is a week - a period of a week.

Q. MOORE: Yes. Normally it is [illegible] October the 2nd, that is a letter from [illegible], enclosing the Commissioner [illegible] letter of September 4th. That is about five weeks. Did you receive a reply from the [illegible] Commission's [illegible]?

A. No, I didn't.

Q. Did the [illegible] letter [illegible] to a conversation between you and me. Remember, do you recall the gist of that conversation?

A. No. I vaguely recollect a conversation with Mr. Bowman. Perhaps what - Mr. Bowman called me up and said that - referred to this club. It must have been immediately previous to that, I imagine, and had a report he was sending to me. I mean that is just conjecture.

Q. My friend, Mr. Wilson, filed three - or read, I am sorry, to Sergeant Anderson, on the first day of this Commission a press release, which I do not believe is entered as an exhibit, but was read into the record. I may be wrong about the Exhibit number. If it was, it would be near Exhibit No. 11.

THE COMMISSIONER: Well, I don't identify it just from what you just now said about it. May I see it, please?

MR. HOGG: Yes, sir.

E/2 ---Judge reads press release.

THE COMMISSIONER: I don't think that was entered as an exhibit.

MR. HOGG: I don't believe so, sir. That is my marking in error, but it was read into the record through Sergeant Anderson, and the second paragraph, in part the following is said:

"These three clubs incorporated - - -"

And it is referring to the three clubs we are concerned with.

THE COMMISSIONER: What is the date of

that, Mr. --

MR. HOGG: The date is July 18th, 1957:

"These three clubs incorporated under "Federal Charters have, to say the "least, left themselves open to "suspicion by reason of the nature "of the premises, with respect "particularly to entrance and exit "facilities, which in the case of "Ontario incorporated clubs would "come under quick detection and "correction."

Later on, on page 2, the Attorney General refers to bolt and bars clause, and goes on to say that these Letters Patent may be cancelled by and in the discretion of the Lieutenant - Governor, and on the last page it says:

"It will be seen that operating "in this way under their new charters "these clubs which have been "suspect will be able to operate "if they do so in a legal manner, "but if they carry on illegal "practices they will be subject to "swift and effective discipline."

Was it the policy, then, in regard to these three clubs that they were just operating under sufferance?

A. That is right.

Q. And if they offended their charters would be cancelled forthwith?

A. That is right. They were on good behaviour.

Q. Now, sir, did anybody else speak to you about this matter, except Mr. Roberts, and the issuance of the charters, except Mr. Roberts and Mr. Herman?

A. No, no.

Q. When you attended the conferences you referred to yesterday inthe Attorney General's Department, we notice that the cancellation - or the charter was finally cancelled after the arrest of Robert Wright, one of the Provincial Police Constables. Prior to that, investigations had been going on. Were those investigations discussed?

A. No, not when I was there, at least.

Q. Was the first time that you knew of the Wright, Feeley, McDermott episode in regard to criminal charges against them when it appeared in the papers?

A. Yes. Well, - yes. I didn't know a thing about - I think just before this charter was cancelled there had been something in the paper about a Provincial Police Constable, and something to do with a club in the west end of Toronto. I think the - no one was named,

Q. Did you attended Lyceum

Northern trial by prosecution witnesses?

A. That is right. Then every so

good testimony.

Q. Now, sir, did anyone also

appear to you about this matter, namely Mr. Gonzales,

and the Chairman of the committee, namely Mr.

Gonzales and Mr. Montano?

A. No, no.

Q. Then you attended the

conference you referred to Saturday from

Attorney General's Department, we notice that

the committee - or the Senator Ana Santiago

testified after the attack of Senator Tolentino,

one of the Provincial Action Committee.

Prior to that, Representative Ang Kim asking an

were these investigations conducted?

A. No, not when I was there,

at least.

Q. Was the first time that you

knew of the hearing, Sunday, November eighteen

in regard to criminal charges against them

when it appeared in the papers.

A. Yes. Well, - yes. I didn't

know a thing about - I think just before this

started the committee had been meeting

in the paper about a Provincial Action Committee,

but something to do with a plan in the week end

of Sunday. I think the - no one was named.

as I recall, but then, following the cancellation, it came - there was the - that was the first - that was the only knowledge I gained was through the papers. I mean I had no knowledge whatsoever.

Q. Now, in regard to the cancellation of the charters, you have told us about your preliminary discussions of this matter was of a confidential matter?

A. The preliminary discussions with - ?

Q. In regard to the cancellation of the charter, the steps you were taking?

A. Yes.

THE COMMISSIONER: Preliminary discussions with whom?

A. With who?

MR. HOGG: With the officials of your Department, or with the Attorney General's Department.

THE COMMISSIONER: What do you mean confidential?

MR. HOGG: Perhaps, sir, I could make it clear putting it this way: At page 912 of yesterday's transcript -

THE COMMISSIONER: Yes?

MR. HOGG: You were referring to a discussion you had with Mr. Margolian, and then in the middle of the page you are referring to Mr. Herman coming in, "and he pointed out that the

ne I recall, but then, following the conversation, [illegible] - there was the - that was the first - that was the only [illegible] I [illegible] the people. I mean I had no knowledge [illegible].

A. Now, in regard to the [illegible] of the character, you have told us about your preliminary discussions of this matter and of a confidential nature?

A. The preliminary discussions [illegible] -

Q. In regard to the conversation of the character, who else you were talking?

A. [illegible].

The COMMISSIONER: Preliminary discussions [illegible]

Q. [illegible] with

Q. Mr. [illegible] with the officials of your Department, Mr. [illegible] Attorney-General's Department.

The COMMISSIONER: When do you [illegible] [illegible].

Q. [illegible] Mr. [illegible] in other parts [illegible] of parliament's [illegible] -

The COMMISSIONER: [illegible]

Q. [illegible] you have referring to a discussion you had with Mr. [illegible], and then in the middle of the page you are referring to Mr. [illegible] saying in, [illegible] to protect but that the

"members - that the - apparently
"under the by-laws there were two classes
"of members, one class were called
"members and the other class were
"called associate members. And he
"said - he seemed to know - now
"I don't know just how he knew. I
"don't think I could have intimated
"to him on the phone. He seemed to
"know what this was all about, and he
"said - - - "

MR. WILSON: "What this was about".

MR. HOGG: What this was about, and he said, " There has been no contravention
"of this charter. These people are
"members - no, the members were all
"war veterans."

Now, did it surprise you that he seemed to know of this matter?

A. Well, I don't say that. I don't - he, Mr. Herman, made an appointment with me, apparently, because it is in my - in my appointment book for December 1st to bring - I take it it was to bring these returns in. Whether he spoke to me on the phone or not, I don't know, or whether I intimated to him what that - the return was about, to determine whether or not the members, I can't say. I don't remember that I did it. He seemed to know about it when

"members - that's the - apparently

"some few hundred years ago [illegible]

"of members, one clans were called

"members and the other clans were

"called associate members. And he

"said - he seemed to know - man

"I don't know just how he knew. I

"don't think I would have interfered

"if he had on his gloves. He seemed to

"know what this was all about, and he

"said - - - "

Mr. Kinsey: "Did this man speak

to you? Did you say anything, and

he said, " There has been no conversation

"of this character. Just simply he

"said - no, the members were all

"not related."

Now, did it surprise you that he

knew so much of this matter?

A. Well, I don't say that. I

don't - no, no. Lawyer, made an appointment with

me, apparently, because it is his or - in my

opinion was for Lawyer Lee to bring -

I make it is was to bring these Yemenian in.

Without he spoke to me on the phone or not, I

don't know, or whether I talked to him with

that - the reason was about, to discussing something

or not the members, I don't say. I don't remember

that I did it. He seemed to know about it when

he came in.

Q. Did Mr. Herman indicate where he had got that knowledge from?

A. Well, I can't - no. No, he didn't. I can't say that he told me. It may have been. I - as I say, I may have mentioned that in the telephone call. I don't remember, but I don't think - conceive that I did.

THE COMMISSIONER: Where he got what what knowledge.

MR. HOGG: Mr. Cudney was referring to the matter of the associate members. I was just quoting from what he previously said in the record at page 912 yesterday.

THE COMMISSIONER: Yes, I see it.

MR. HOGG: And he said he seemed to know. Now, I don't know just how he knew.

A. I refer there to a possible telephone call.

Q. You said he seemed to know what this was about?

A. Yes.

THE COMMISSIONER: Seemed to know? Iam still not clear, Mr. Hogg, what you are talking about.

MR. HOGG: I am just saying, sir, this is Mr. Cudney's answer and - -

THE COMMISSIONER: Well, go back a little.

he came in.

Q. Did Mr. Everson indicate where he had got such knowledge from?

A. Well, I don't - no. No, he didn't. I can't say that he told me. It may have been. I - as I say, I may have mentioned that in the telephone call. I don't remember, but I don't think - strongly that I did.

THE CHAIRMAN: Where he got what was knowledge.

MR. BERRY: Q. Getting back to the matter of the association meeting. I was just quoting from what he previously said in the record at page 912 yesterday.

MR. CHAIRMAN: Yes, I see it.

MR. MORRIS: And he said he seemed to know. Now, I don't know just how he knew.

A. I refer there to a previous telephone call.

Q. You mean he seemed to know this was not early?

A. Yes.

THE CHAIRMAN: Seemed to know that call was over. Mr. Morris, what you are talking about.

MR. MORRIS: I am just saying, sir, this is Mr. Conway's answer and - -

THE CHAIRMAN: Well, go back a little.

MR. HOGG: I am just asking him what - -

THE COMMISSIONER: Go back a little bit. See if we can get the continuity of it, what they are talking about. Go back to the top.

"And he came in, and he either called "me or told my office he wanted an "appointment" - the Reporter doesn't need to take down what I am reading.

"And he came in and he either called "me or told my office he wanted an "appointment to bring this return "in,"

Now, that was the special return that you were talking about?

A. Special return, yes, the list.

THE COMMISSIONER: "and he brought it "in. And I had Mr. Margolian, one "of the Department solicitors, sit "in with me at the time. And he "brought the return in, a list of the "members, and he also brought the by-law "book and the minute book and he "pointed out that the members - that "the - Apparently under the by-laws "there were two classes of members, "one class were called members and "the other class was called associate "members. And he said - he seemed to "know - now, I don't know just how he

MR. HARD: I am just asking him what -

MR CHAIRMAN: Do some a little bit.

See if we can get the credibility of it, what they are talking about. Go ahead by saying:

"And he came in, and he sat down beside

"me or half or either he leaned in.

"Suddenly" - the Tenderness descri-

-bed by this does what I am reading.

"And he came in and he either called

"me or half or either he leaned in.

"Suddenly he held two papers.

"Ah,"

Then, and the rest of this is very very

relevant.

A. Special Report, yes, the ARP.

THE CHAIRMAN: "And he thought it

"Ah. And I had Mr. McLaughlin, one

"of the Department policemen, sit

"in with me at the time. And he

"brought the papers in, a list of the

"motors, and he then brought the by-law

"book and the minute book and in

"looking at that the memory - that

"the - Apparently under the by-laws

"there were two classes of members,

"one class were called members and

"the other class was called associate

"members. And he said - he pointed to

"some - one, I don't know just how to

"knew. I don't think I could have "intimated to him on the phone. He "seemed to know what this was about, "and he said, 'There has been no "contravention of this charter. These "people are the members. - - '"

A. Yes.

THE COMMISSIONER: Now, what were you trying to convey when you made that rather long answer?

A. Well, what my - my thought was, on second thought, after I thought it over the first time, now, sir - -

MR. MacKINNON: I can't hear him, my lord.

A. I thought how was that knowledge known at that time when he came in. It could have been - - -

THE COMMISSIONER: Knowledge of what?

A. Knowledge that was - what I was asking for was a special return as to the list of the members, but this seemed to be a knowledge that the doors were barricaded, complaints of the doors being barricaded, and knowledge of the members, the question being whether how many - what members were War veterans. I mean that knowing it was knowledge that - of what they, the police had complained about.

MR. HOGG: That is, Mr. Cudney, he seemed

to have knowledge of what the police had found out, of police information?

A. Um,hm. Yes.

Q. And that surprised you?

A. Well, that - yes, and I, as I say - now, I don't think, as I mentioned, sir, yesterday, it could have been a phone call from me, in the sense that he may have called in, making an appointment, because I can't remember mentioning that on the phone.

Q. Do I understand, then, sir, that it appeared to you that Mr. Herman had some knowledge of what the police - -

A. I would say yes, the more I think back.

Q. The police had complained of this?

A. Well, the more I think back, I just wondered how that knowledge was - -

Q. And it surprised you that he would have knowledge of material that was in a police report, which had eventually got - which had come into your hands?

A Um,hm.

Q. Because usually those matters are treated as confidential?

A. Yes.

Q. And did Mr. Herman also seem to know the steps that were being taken, and the

to have knowledge of what the police had found out, of police information?

A. Uh,hm. Yes.

Q. And that surprised you?

A. Well, sure - yes, and I, as I say - then, I didn't think, in a business sit, yesterday, it would have been a phone call from my in the week that he has valid in, nothing an appointment, because I can't remember conversation then or the answer.

Q. Do I understand, then, at that to business in the day or, whether the same knowledge of what the police -

A. I would say yes, the same I think then.

Q. The police had suspicions of this?

A. Well, the more I think back, I just wondered how much knowledge was -

Q. And it surprised you that he would have knowledge of material that was in a police report, which had essentially gone - which had had some part missing.

A. Uh,hm.

Q. Without doubt, that matters are treated as confidential?

A. Yes.

Q. And did Mr. Harman also seem to know the steps that were being taken, and the

representations that were being made to cancel the charter?

A. No, I don't think he - I don't think he did.

Q. Sir, did any other member of the Legislature, apart from Mr. Roberts, and your Minister, and Mr. Davis, speak to you concerning this club, or discuss it with you?

A. You mean in respect to - that is whether any other member of the Legislature?

Q. Yes?

A. Spoke to me in respect to the club?

Q. This club, the issuance or the cancellation of the charter, other than those people I have mentioned?

A. Yes, yes, there was.

Q. Who was that, sir?

A. That was Mr. - the Honourable Mr. Maloney.

Q. Mr. Who?

A. Maloney, James Maloney.

Q. Which was the first name you mentioned?

A The James - The Honourable James Maloney.

Q. I am sorry, I thought you mentioned two.

A. No. I said, - no.

Q. Do you believe that your belief does in reality, the correct?

A. No. I don't think so - I don't think he did.

Q. Did you find somebody

Q. You mean in regard to - that is whether any other member of the Legislature

Q. Yes?

A. Speaks to me in regard to the Flat?

Q. Did you, not knowing in the association of the chairman, ever see Mr. Pringle ? Have conversed?

A. Yes, I have done so.

Q. Who was that, sir?

A. That was Mr. - the Honourable Mr. Delaney.

Q. Mr. What

A. Delaney, Owen Delaney.

Q. Which was the first name you mentioned?

A. The place - the Legislative Assembly.

Q. I am sorry, I thought you mentioned that.

A. No. I said, - no.

THE COMMISSIONER: No.

MR. HOGG: Q. And what was this conversation? When did it take place?

A. Well, I remember he telephoned me at my home one Saturday afternoon, it was in March. I had finished the hearing on the - end of February, and he telephoned me one Saturday afternoon in March. I remember it was late afternoon, and said I - to the effect that I hear you have had a hearing with respect to the Centre Road Club, that I understand there is no conviction, and shouldn't be too hard on them.

THE COMMISSIONER: Just a moment. I hear you have had a hearing?

A. That is my recollection.

THE COMMISSIONER: Just a moment. Mr. Reporter, read that for me, rather slowly, so I may get it down. I hear you have had a hearing in what?

THE REPORTER: "I hear you have had "a hearing with respect to the Centre "Road Club."

THE COMMISSIONER: Yes.

THE REPORTER: "That I understand "there is no conviction."

THE COMMISSIONER: Yes.

THE REPORTER: "And shouldn't be too "hard on them."

THE WITNESS: And you shouldn't, I should have said.

have said.

THE COMMISSIONER: Now, can you fix the date of that more accurately?

A. I - I have thought it - I have been trying to recollect, sir, my lord, but I, as I - I think it was in - I do remember - I think it was March. It was a dark Saturday afternoon, a dark day just before I had dinner, and it was getting dark.

THE COMMISSIONER: It was late in the afternoon?

A. Late in the afternoon, yes, and I know it was getting dark outside. It was a raining day. Now, I - I wish I could think of the date. The nearest I get it was sometime in March, and I would imagine, and this is as far as I can remember, it would be more toward the end of March.

MR. HOGG: And at this point, Mr. Cudney - -

THE COMMISSIONER: Just a moment, please. When did the hearings terminate?

A. On February 29th, my lord.

THE COMMISSIONER: Well, then, was it a short time after, or a long time after, or what?

A. Oh, I think it would be the - it was into February, the end of the term. I think it would be a couple of weeks, maybe, or so, or maybe a little longer. I think it would be the middle or toward the end of March. It - -

THE COMMISSIONER: Go ahead, Mr. Hogg.

THE COMMISSIONER: Now, can you fix the date of that more accurately?

A. I - I have thought it - I have been trying to remember, sir, my lord, but, as I - I think it was in - I do remember - I remember man Mason. It was a dark Saturday afternoon, a dark day just before I had dinner, and it was raining cats.

THE COMMISSIONER: It was June in the afternoon?

A. In the afternoon, yes, and I think it was a rainy-dark afternoon. It was a raining day. Now, I - I wish I could think of the date. The nearest I get it was somewhere in March, and I would imagine, and this is as far as I can remember, it would be some time was due on March.

Q. Good. And at this point, Mr. Gurney -

THE COMMISSIONER: Just a moment, please. When did the hearing terminate?

A. On February 20th, my lord.

THE COMMISSIONER: Well, then, was it a short time after, or a long time after, or what?

A. Oh, I think it would be - it was June sometime, one of the terms. I think it would be a couple of weeks, maybe, or so, or maybe a little longer. I think it would be the middle or toward the end of terms. It -

THE COMMISSIONER: Go ahead, Mr. Gurney.

MR. HOGG: And what else was said other than 'would you go easy on them'?

A. Well, I then said I have had a hearing in respect to this. I am waiting for the transcript of evidence, that I am not pleased with what the evidence I have heard has gone on there, and I am of the view the Charter should be cancelled.

Q. And it would seem you were in a quasi judicial capacity, having heard the evidence given, and having to reach a conclusion as a result of that evidence?

A. That is right, yes.

Q. Whether the Charter should be cancelled or not?

A. That is right, and - -

Q. I take it it was - I am sorry, I interrupted you.

A. And he said, well, you know, there has been no conviction. He said, "Perhaps I have always been the defence counsel." He said, I - he was emphasising the fact there had been no conviction, and there was no - the charter shouldn't be cancelled.

Q. And did he say anything else?

A. No, no, that was just a very short conversation. I don't think it lasted more than one or two minutes.

Q. Did he indicate toyou, sir.

Q. Does' and then also you said

other than would you go away on them?

A. Well, I have said I have had a hearing in respect to this. I am waiting for the transcript of evidence, that I am not pleased with some the evidence I have heard has been or they, but I do not say that the charge should be withdrawn.

Q. And is would come you here in a usual judicial capacity, having heard the evidence given, and having to reach a conclusion as a result of that evidence?

A. That is right, yes.

Q. Have the Naval Board to consider it as well?

A. That is right, and - -

Q. I take it it was - I am sorry, I interrupted you.

A. And he said, well, you know, there has been no conviction. He said, "Perhaps I have always been the defence counsel." He said, I - he was emphasizing the fact there had been no conviction, and there was no - the course wouldn't be cancelled.

Q. And did he say anything about

A. No, no, that was just a very brief interrelation. I don't think it lasted more than one or two minutes.

Q. Did he indicate upon any

what his interest was, or who had spoken to him, or why he was calling?

A. No, he gave no intimation of that.

Q. Well, was that the only time he spoke to you in connection with this?

A. Yes, yes.

Q. Did any other member of the Legislature, other than those you now mentioned, speak to you?

A. No.

Q. In connection with this?

A. No, no, no.

Q. Did you inform your Minister of this?

A. No, I didn't.

Q. Or the Attorney General's Department?

A. No, I didn't.

Q. Or Mr. Wilson?

A. No.

THE COMMISSIONER: Just a moment.

MR. WILSON: The first time, Mr. Commissioner, I have heard of this is just a few moments ago.

THE COMMISSIONER: Just a moment - -

MR. HOGG: Now, keeping in mind - -

THE COMMISSIONER: Just a moment.

MR. HOGG: I am sorry.

what his interest may be, and question on him; so why he was calling?

A. No, he gave no indication of that.

Q. Well, was such the only time he spoke to you on telephone with Hiss?

A. Yes, yes.

Q. Did any other member of the Legislature, other than those you now mentioned, call you?

A. No.

Q. In connection with what?

A. No, no, no.

Q. Did you inform your Minister of this?

A. No, I didn't.

Q. Or the Attorney General's Department?

A. No, I didn't.

Q. Or Mr. Wilson?

A. No.

THE CONSTABLE: Just a moment.

Mr. HIGGS: The first time, Sir.

Commissioner, I have heard of this in just a few moments ago.

THE CONSTABLE: Just a moment - -

Mr. HIGGS: Now, Commissioner, - -

THE CONSTABLE: Just a moment.

Mr. HIGGS: I am sorry.

THE COMMISSIONER: Yes.

MR.HOGG: Did anyone else outside the Legislature, any other person speak to you about this matter?

A. Do you mean following the - leading up to the cancellation?

THE COMMISSIONER: Yes.

MR. HOGG: Yes.

THE WITNESS: Well, Mr. Herman spoke to me as solicitor for the club not long before the cancellation.

THE COMMISSIONER: Yes.

MR. HOGG: Was this during the course of the hearing, or after the hearing?

A. No, this was after the hearing.

THE COMMISSIONER: And before the cancellation?

A. Before the cancellation.

THE COMMISSIONER: Yes.

A. And it was a telephone call. I remembered it was words to this effect: That the - they are reminding me there had been no conviction. The club was willing to fix their membership up, and to - that is to - that the members would be War veterans, and to take the bars and bolts off the doors so that the police could go in at any time.

THE COMMISSIONER: Just a moment. - - that was after the hearing. How long after the

THE CONCILIATOR: Yes.

MR.JONES: Did anyone else outside the Lancashire, any other people speak to you about this matter?

A. Do you mean following the - leading up to the conciliator?

THE CONCILIATOR: Yes.

MR. JONES: Yes.

THE WITNESS: Well, Mr. Thomas spoke to me at meetings for the club not long before the conciliation.

THE CONCILIATOR: Yes.

Q. JONES: Was this during the course of the meeting, or after the meeting?

A. No, this was after the meeting.

THE CONCILIATOR: Are they the same-thing?

A. Before the conciliation.

THE CONCILIATOR: Yes.

A. And it was a telephone call.

I recommend it was merely to this effect: that the - they had complained on behalf and been in contention. The club was willing to fix their commencing up, and so - that is to - that the members would be war veterans, and to take the boys and girls off the doors so that the police could go in at any time.

THE CONCILIATOR: Just a moment.

- - that was after the meeting. How long after the

hearing?

A. That, as I recall, my lord, this was just before the cancellation in May. It was in the - the cancellation was the beginning of June, but I think this was sometime just maybe the latter part of May, just before the cancellation.

THE COMMISSIONER: Yes.

MR. HOGG: Did Mr. Herman mention any influence that he might have?

A. No, no. He didn't mention any.

Q. Was he, so far as you were concerned, a person of some considerable political influence.

THE COMMISSIONER: No, don't answer that.

MR. HOGG: Did you receive any other telephone calls from Mr. Herman?

A. No, I can't say I did, Mr. Hogg. I don't - -

Q. Did you receive any calls from anyone else, sir?

A. No, I have told you the calls. No, No - I didn't. No, I don't recall any other. I don't remember any other calls, other than the calls which I have told you.

Q. This James Maloney that you spoke about. Can you otherwise identify him?

A. Well, he was the Minister of Mines.

more long?

A. Since, as I recall, my lord.

Then was that before the conciliation in 1949.

It was in 1950 - the conciliation was the culminating of course, but I think this was somewhat just before the latter part of 1949, just before the conciliation.

THE CONCILIATOR: Sir.

MR. BOGGS: Sir? Mr. Chairman, perhaps

my colleague may be right here.

A. No, no. In court's session

now.

Q. Yes sir, so far as you were

concerned, the period of your conciliation

political influence.

THE CONCILIATOR: He doesn't answer that.

MR. BOGGS: Did you hold a

relationship with Frank Ky. Lennon?

A. No, I won't say I don, Mr.

Chairman. I don't -

Q. Did you encourage any calls

from anyone other, Ky?

A. No, I have never you any calls.

No, Sir - I didn't. No, I won't recall any other.

I don't remember any other calls, other than

the calls which I have told you.

Q. Did anyone indicate that you

would resign. Was you encouraging identify this

A. Calls, he was the director

of Mines.

Q. Now, had you ever spoken to him before?

A. Well, I knew him from work in the Government. Mr. - or, my lord, he was Minister of Mines, and from time to time worked in my Department - there would be certain work that I knew him. I didn't know him very well. I would meet him - through Departmental work.

MR. HOGG: Mr. Cudney, have you a file on the Veterans club?

A. I have.

Q. And is this, sir, the complete file, of course with the exception of those documents that have been removed and filed as exhibits with the Commissioner?

A. The Centre - let's see. The - this is - this is what we - is called the public file. The Centre Road, this is the application for incorporation, the annual returns and the copy of the cancellation order; and this is the - this is what is noted the post incorporation file. This is the file that led up to the -

THE COMMISSIONER: Cancellation.

A. And this is - this is special correspondence here. I wrote to Mr. Farrell, who testified yesterday, following, advising him of the disposition of the matter.

THE COMMISSIONER: Well, Mr. Hogg wants to know have you got your complete file here?

Q. Now, had you ever spoken to him before?

A. Well, I have seen him here in the Government. Mr. - or, my lord, he was Minister of Mines, and from time to time worked in my Department - there would be certain work that I knew him. I didn't know him very well. I would just say - through departmental work.

Mr. Nolan: Mr. Commy, have you a file on the Venezuela claim?

A. I have.

Q. And in this, sir, the complete file, of course with the exception of those documents that have been removed and filed as exhibits with the Commissioner?

A. The Centre - Jack's run. The - this is - this is what we - is called the public file. The Centre Road, this is the application for incorporation, the annual returns and the map of the consolidation group; and this is the - this is where is rather the part incorporation file. This is the file that led up to the -

The Commissioner: Consolidation.

A. And this is - this is special investigation here. I think is Mr. Bennett who testified yesterday, following, advising him of the disposition of the matter.

The Commissioner: Will Mr. Bennett be here now you got your complete file here?

A. Complete file, yes.

MR. HOGG: And are there any other documents or memorandums in existence that are not here? To your knowledge has anything been removed from the file? I don't mean to suggest anything improper about that at all, sir.

A. No, not to my knowledge at all, Mr. Hogg. This is the public file, and this is the file known as the private file, and these are - this is some correspondence that we have had. Now, that is all to my knowledge that there is.

Q.There are no other documents?

A. No, no.

MR. HOGG: I would like an opportunity, sir, to look at these documents over the luncheon recess, and I notice it is now four minutes to one.

THE COMMISSIONER: We will adjourn now until 2:15.

MR. HOGG: I take it, Mr. Commissioner, we might look through these?

THE COMMISSIONER: Yes. They are not entered as exhibits. Well, I think Mr. Cudney should have someone there when you are examining them, so they will not get out of his possession.

MR. HOGG: Quite right, sir.

THE COMMISSIONER: He ought to have some

A. Complete file, yes.

MR. HOGG: And are there any other documents or memorandums in existence that are not here? To your knowledge has anything been removed from the file? I don't mean to suggest anything improper about that at all, sir.

A. No, not to my knowledge at all, Mr. Hogg. This is the public file, and this is the file known as the private file, and these are - this is some correspondence that we have had. Now, that is all to my knowledge that there is.

Q. There are no other documents?

A. No, no.

MR. HOGG: I would like an opportunity, sir, to look at these documents over the luncheon recess, and I notice it is now four minutes to one.

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MR. HOGG: I take it, Mr. Commissioner, we might look through these?

THE COMMISSIONER: Yes. They are not entered as exhibits. Well, I think Mr. Cudney should have someone there when you are examining them, so they will not get out of his possession.

MR. HOGG: Quite right, sir.

THE COMMISSIONER: He ought to have some

supervision over them.

THE WITNESS: Thank you, my lord. Mr. McCormack.

MR. MacKINNON: We will do it right now, sir. We will forgo our lunch for a few minutes.

THE COMMISSIONER: Don't do that.

MR. MacKINNON: If Mr. McCormack can stand it, I can.

MR. WILSON: I think he is going to adjourn at four o'clock this afternoon.

----Whereupon the hearing adjourned at 1:01 p.m.

(Page 1111 follows)

(Page 1111 follows)

AA

--- On resuming at 2.18 o'clock P.M.

THE COMMISSIONER: Before there is any further examination of this witness I want to make an announcement. I would be grateful if the press would give some publicity to this.

This morning I received a letter from a very well known organization interested in social problems, wondering whether it would be permissible for it to submit a brief to this Commission relative to these matters into which I have been authorized to inquire. I have replied, of course, that that brief would be welcome. I would like, through the assistance of the press, to have it made known to the public generally that if any organization desires to submit a brief relating to the subject matter of this inquiry, they may, of course, do so, and any such briefs will be given my earnest consideration.

Mr. Hogg?

MR. HOGG: Thank you, Mr. Commissioner.

Q. Mr. Cudney, I just wish to refer to one letter and, with the Commission's permission, have it filed. The letter of the 10th of July, 1957. I believe your assistant has it handy. This is a copy of a letter to Mr. Bowman from yourself re the

--- On resuming at 3.15 o'clock P.M.

MR. CHAIRMAN: Before there is any further examination of this witness I want to make an announcement. I would be grateful if the press would give some publicity to this.

This morning I received a letter from a very well known organization interested in penal problems, concerning matters it would be convenient if I be permitted to submit a letter to this Commission relating to these matters (the letter I have here) authorized to inquire. I have replied, of course, that that would be welcome. I would like, through the medium of the press, to have it made known to the public generally that if any organization desires to submit a useful memorandum to the subject matter of this inquiry, they may, of course, do so, and any such letters will be given the fullest consideration.

MR. HOGAN:

Mr. MOTOR: Thank you, Mr. Commissioner.

Q. Mr. Cadogan, I just wish to refer to one letter and, with the Commission's permission, have it filed. The letter of the 10th of July, 1947. I believe your assistant has it handy. This is a copy of a letter to Mr. Duncan from yourself to the

Centre Road Veterans' Association.

THE COMMISSIONER: What is the date of it, Mr. Hogg?

MR. HOGG: July 10th, 1957.

THE COMMISSIONER: From?

MR. HOGG: From Mr. Cudney, the Deputy Provincial Secretary.

THE COMMISSIONER: To Bowman?

MR. HOGG: To Mr. Bowman re the three clubs, the Centre Road Veterans' Association, the Roseland Veterans' Association and the Frontier Veterans' Association.

The first paragraph is the only one I will read:

"Referring to our telephone "conversation of recent date relative "to the above applications for "incorporation, I would advise the "following persons are the applicants "for incorporation: ..."

And, then, it sets out the applicants. It contains the information which would be in the charter.

THE COMMISSIONER: Yes.

That will be Exhibit 59.

--- EXHIBIT NO. 59: Carbon copy of letter dated 10th July, 1957, from R.J.Cudney to Mr. Bowman.

MR. HOGG: Q. I just have a few questions about one meeting, Mr. Cudney.

You advised the Commissioner yesterday that on or about the 6th of January, 1960, you attended a meeting. Present were Mr. Roberts, the Attorney General; the Hon. Dr. Phillips; Mr. Common; Mr. Bowman; Commissioner Clark, and you thought perhaps Assistant Commissioner Kennedy was there. You indicated on page 927 of yesterday's transcript that the matter of clubs was discussed generally with respect to the procedure of cancellation, largely. During that conversation did the senior police officials who were there make it clear that in their opinion the chartered clubs were being run by professional gamblers?

A. That was the meeting in January, 1960?

Q. 1960.

A. Yes. No, I can't really recall, Mr. Hogg, that they did.

THE COMMISSIONER: What date in January was that?

MR. HOGG: He refers on page 926 --

THE COMMISSIONER: I know he told us, but what date was that?

MR. HOGG: January 6.

Q. About that?

A. It was around about that time. I am not sure of the date of that meeting. It was called for January 6th but to my mind it was later in the month. It could have been

January the 6th. It was in January.

Q. Was the matter of professional gamblers controlling these clubs broughtup or mentioned?

A. By the police officers?

Q. By the police officers or anyone?

A. No, I don't -- It perhaps was, Mr. Hogg. I can't remember. I know we discussed the matter of the cancellation of charters, my lord, the policy in respect to the cancellation, and we discussed some of the clubs which had come up in the process particularly, but I don't recall now, I wouldn't be sure on that, but I don't recall, as you say, Mr. Hogg, whether the professional gambling element was what was discussed. It might have been but I can't recall.

Q. In any event, would this be a matter you were familiar with?

THE COMMISSIONER: What matter?

MR. HOGG: Q. The fact that professional gamblers were controlling the clubs the police were interested in?

A. No, except I had an intimation. I had talked to Chief Mackey before that, in which he had intimated professional gamblers.

Q. Had he advised you his biggest problems at that time, so far as the administration of justice was concerned, so

far as the police were concerned, his biggest problems were the operators of the gambling clubs? Was anything said?

A. By Chief Mackey?

Q. Yes.

A. Yes. He was not happy with the situation at all. And with the gambling. As I recall, I had an appointment with Chief Mackey. I asked him for an interview in view of certain articles which appeared in the press.

Q. Those were articles by Mr. Gwynn Thomas?

A. Yes.

Q. That appeared in the Toronto Daily Star on or about December 26th?

A. Yes. And it was stated in those articles there were twenty-five chartered clubs operating in Toronto illegally and the intimation was nothing was being done about it. In my department at that time I had, I think, roughly about three which were in process, one stage or another of complaints.

Q. Three out of the twenty-five?

A. Well, three. I don't know whether they were included in the twenty-five, but there were three and I was concerned with this impression and I wanted to talk to Chief Mackey. I arranged an

interview, and from my book it was January 5th, 1960. He was there and the late Deputy Chief Lee, Inspector Walker, then head of the Morality Bureau, and some of the other officers. He was concerned -- I wanted to talk to him -- any knowledge about that he -- about these articles on gambling syndicates, professinnal gamblers and so on. And I remember Chief Mackey was quite concerned with it, that syndicates had formed, and that it was something which should be looked after right away. And I said, "Well, if you will report them to us we will look after them as you report them".

Q. When Mackey and Walker spoke to you they advised you that a majority of these clubs were being controlled by professional gamblers and criminals?

A. I don't know that they said the majority of the clubs; they said a number of clubs were being controlled.

Q. And they had, I take it, no quarrel with the substance of Mr. Thomas' articles?

A. No, I don't think, no.

Q. Had Mr. Thomas been to see you prior to writing these articles?

A. No, I have never met Mr. Thomas.

MR. HOGG: On page 928 of the transcript I understand there is a change, Mr.Commissioner.

[illegible]

January 2nd, 1966. He was sworn and the

[illegible] Deputy Chief Law, Independent Monopoly

Commission of the Monopoly Commission, and some

of the other officers. He was cross-examined --

I wanted to talk to him -- our knowledge

about what to -- about these activities on

[illegible]

and so on. And I remember Chief Deputy

[illegible]

[illegible], and then it was somewhere else.

[illegible] be joined either right away. And I

[illegible]

[illegible] so will look after them as you request them.

Q. When Mooney and Wolner [illegible]

to you they evidenced you that a majority of

[illegible] were being controlled by

[illegible]

A. I don't know that they [illegible]

the majority of the stock; they held a

[illegible]

Q. And they had, I take it, no

[illegible] with the exception of Mr. Thomas'

[illegible]

A. No, I don't think, no.

Q. And Mr. Thomas was so has you

prior to Mooney, Wolner [illegible]

A. No, I have never met Mr. Thomas.

Mr. Moon: On page 243 of the [illegible]

I mentioned there to a change, Mr. Commissioner.

THE COMMISSIONER: Page what?

MR. HOGG: Page 928, in the second complete paragraph, in the third line. Page 928.

THE COMMISSIONER: "Change", what do you mean?

MR. HOGG: There is an error in the typing. I will read the sentence in which that error, I am informed, occurred:

"... But it also came to our "attention that there had been "evidence of former ..."

And I am advised that word should read "trafficking".

THE COMMISSIONER: Everybody agreed?

MR. WILSON: I think that is correct.

MR. MacKINNON: The reporter has confirmed that with me, Mr. Commissioner. He is going to issue a correction sheet.

THE COMMISSIONER: All right.

MR. HOGG: Q. During the meeting of the Attorney General and his staff and senior police officials of the O.P.P. it was discussed that it had come to our attention that there had been formerly trafficking in charters. And, down at the bottom of the page, in answer to a question of the Commissioner:

"... As 'bought'. It is a term "that seems to be generally used,

"not used as a legal term".

The question of trafficking was discussed and the fact these charters could be bought. Was it indicated or discussed who was buying these charters?

A. In my discussions with Chief Mackey he said there was trafficking in clubs. He said some clubs had moved from out of Toronto into Toronto andhe was quite concerned with these gambling syndicates, there were criminal elements involved, and that it was a situation which should be stamped out, and I quite agreed. We had limited the location of the club premises since some time in 1949. But I thought we could, to control, if there was this frafficking, to suggest that an amendment to the Corporations Act to provide that no club could move its premises without the consent of the Provincial Secretary. A lot of these clubs -- I won't say a lot, but there were some that were moving about were old charters granted in 1925 and 1930 where they were province wide - that is, there was no limitation. I suggested thata possible amendment to the Corporations Act to provide that no club could move without the consent of the provincial Secretary, and that was discussed. I discussed it with my Minister, Dr. Phillips, upon

my return and then I brought it up the next day at the meeting in the Attorney-General's department.

Q. So, this matter --

THE COMMISSIONER: Just a moment.

Q. That was a recommendation you made?

A. From my talk, I think I remember, my lord, I mentioned that Chief --

Q. Never mind. That was a recommendation you made?

A. Yes.

Q. What was done with respect to the recommendation? Was it acted on?

A. Yes.

Q. When?

A. Well, Mr. Common and Mr. Bowman and I, as I remember from that meeting, were asked to look into the matter and legislation was drafted toward the end of the month that clubs could not be moved without the consent - that is, whensoever incorporated couldn't move their premises without the consent of the Provincial Secretary. And it was passed in the legislature and became law on April 11th, 1960.

MR. HOGG: Q. Discussing this, the trafficking of these gambling syndicates in these charters, was it brought out who was trafficking or was it mentioned which

gambling syndicates were trafficking in the charters?

A. Well, I don't think Chief Mackey mentioned any particular syndicate other than suggesting that the Centre Road, there was a tie-in with the Finnish Club.

Q. The Centre Road and the Finnish Club?

A. And the Finnish Club. And, then, there was mention of Niagra Falls --

THE COMMISSIONER: Q. Do not go too fast. Then, there was mention of Niagara Falls -- ?

A. Niagara Falls and St. Catharines. I don't know whether Chief Mackey mentioned any particular clubs there but I gathered that it was a syndicate and that the American gamblers had -- were moving in, or had moved in.

Q. Yes.

MR. HOGG: Q. And did he indicate to you, sir, that if something was not done very quickly there was going to be quite a problem, that the syndicates to some extent were in competition with each other?

A. Yes, he did.

Q. Following normal competition lines one syndicate would try to put the other out of business, that was the general gist of it?

A. No, he didn't mention one trying to put the other out of the business but they would try and control a good many things if they got control.

THE COMMISSIONER: Q. That was not the way it was put.

Put it again, Mr. Hogg.

MR. HOGG: Q. Was he concerned with the fact the stronger the gambling syndicates became that he would expect trouble from their competition, the one with the other, they would be competing with each other?

A. I don't think he mentioned being competition with one another. He did mention them becoming strong and controlling many lines of activities.

Q. Outside of the field of gambling?

A. Yes.

Q. Did he mention his fear of the corrupting influence that the gambling syndicates would have?

A. Well, yes, that is what I took. I don't know he mentioned that in so many words.

Q. As to who was trafficking in those charters at that time, with Chief Mackey, apart from this controlling, the Vets Club, this was not gone into?

A. No. He said -- He mentioned

the Vets Club -- or the Centre Road, and that there had been a tie-in with the Finnish Club. And also he mentioned clubs at Niagara Falls --

THE COMMISSIONER: Q. You told us that.

A. Yes.

MR. HOGG: Q. In your discussion following your interview with Chief Mackey, you attended this conference with the Attorney General and Dr. Phillips and Mr. Common on or about January 6th in which you have told us that the matter of trafficking in charters and bought charters was discussed. This meeting with the Attorney General and his staff, was it discussed or brought out who was trafficking in these charters?

A. No, no; I don't recall that it was, Mr. Hogg.

Q. It was just stated as a fact, I take it, because it had come "to our attention" there had been evidence of former trafficking in charters?

THE COMMISSIONER: Q. Was the matter discussed at the meeting with the Attorney General?

A. On trafficking of charters, yes. I intimated that it appeared clubs were moving about.

MR. HOGG: Q. It appeared clubs were being bought, the charters were being bought?

the Yuba Club -- or the Cooking Class, and that Grace had been a Club with the Teenage Club. And also be mentioned Cause as reasons Smith --

MRS CHRISTIANSEN: Q. You said we came.

A. Yes.

Q. DOES: Q. Do your Grandmothers Celebrating your anniversary with Grace? Anyway, you remember such conversation with her Anniversary Changed and by utilizing the Co. Comes you or your Company Co. is using you Have had to deal the number of Institutions in California and Southern California was Grandmother. This meeting with the Alameda General and Old Alert, was it Company or Project and you Transferring to Alameda Counterpart?

Q. Yes. I don't recall the Y? Mary, Mr. Smith.

A. It was just Around on a Year. I Have it, Because it, Mrs. "In our Alameda Cause and been Residence of Former Transferring in Berkeley.

The CHAIRMAN: Q. Was the meeting Concerned on the Arrival with the Alameda Counterpart.

A. The Transferring of Mrs. Smith. I Interested that is Supposed Cities were Having Grace.

MR. MORRIS: Q. Concerned Cities were Having Langley, the Charged and Living Langley

A. Yes.

THE COMMISSIONER: Q. Moving about does not necessarily mean the charters are bought.

A. No. The clubs may move about within one municipality to another. That is, the club is made up of members that are admitted by resolution of the directors. But, sometimes, these -- the cases were mentioned of clubs moving from, maybe, Collingwood to Toronto or Ottawa to Toronto.

Q. Or Timmins?

AA 3 A. Or Timmins.

MR. HOGG: Q. A good example of that would be the Finnish Club?

A. Yes.

Q. Which originated in Timmins?

A. Yes.

Q. And John Pleshuk was one of the original officers or applicants on the Vets Club?

A. Yes.

Q. At the time of the hearing for the cancellation Mr. Pleshuk was doing three months in jail for keeping a gaming house known as the Finnish Club. That is why he was not present at the hearing?

A. He was not the vice-president, he apparently had resigned as vice-president.

Q. He had resigned following his

jail sentence?

A. Yes.

Q. And the Frontier Veterans' Association would be another example of a charter which was trafficked in or bought?

A. The Frontier?

Q. The Frontier Veterans' Association.

A. I don't recall that one. I recall the Frontier but I don't remember it being --

Q. That is a case of the address being moved. These charters were bought, then, by the gambling syndicates or by people acting on their behalf?

THE COMMISSIONER: Do you know?

A. I don't know. No, I don't know.

MR. HOGG: Q. Was this matter discussed?

A. No, it wasn't.

Q. Was there any discussion about the amount of money that was paid for these bought charters?

A. No, no; there wasn't. I don't recall that there was, Mr. Hogg. I can't recall.

Q. Thank you, Mr. Cudney.

THE COMMISSIONER: Have you some questions, Mr. Erewin?

Just recovered?

A. Yes.

Q. And this Bonanza Venture's association would be another example of a character which was established in our business?

A. The Bonanza?

Q. The Bonanza Venture's association.

A. I don't recall that one. I recall the Bonanza but I don't remember it being —

Q. Take it a step at the actually doing there. Other associations were sought, have, by the qualifying agreements or by seeking an inter-relation?

THE CHAIRMAN: In the record

A. I don't know. No, I don't know.

MR. COOK: Q. Did this or that association

A. No, it wasn't.

Q. The Bonanza and Alexandria Oil the amounts of money that was paid for those drilling expenses?

A. No, not there hasn't. I don't recall that from memory. Maybe I have that.

Q. Those are, the Bonanza and the associations, Mr. Tremblay

EXAMINED BY MR. BREWIN:

Q. Mr. Cudney, I have here Exhibit 11(c), which is the Letters Patent incorporating the Frontier Veterans' Association, and the first name on the list of incorporators who were to constitute the corporation, under the seal of the Province and the name of G.H.Dunbar, Provincial Secretary, was Henry Demore. I presume you have not heard of his name?

A. No.

Q. You do not know anything about him?

A. No, I don't.

Q. I will now read to you Exhibit 9.

THE COMMISSIONER: Just a minute. What is the name?

MR. BREWIN: Demore.

THE COMMISSIONER: What is the first name?

MR. BREWIN: Henry.

THE COMMISSIONER: D-e-m-o-r-e?

MR. BREWIN: Yes.

Q. I now call to your attention Exhibit 9, a letter of July the 11th addressed to, and it is in the form of a letter but it is said to be a memorandum, to Assistant Commissioner J. Bartlett from the Ontario Provincial Police, and signed by J.M.Anderson, Sergeant in charge of the Anti-Gambling Branch.

And it says:

"Re; Applicants for Club Charters"

and refers to Henry Damore:

" Canadian Merchant Navy Veterans

"Association, Thompson Road, Bertie

"Township - Henry DAMORE was always

"a frequenter to this Club and is

"personally known by myself ..."

- that is, Anderson -

"...to be a gambler and 'stooge' for

"Felix BORELLI a well known gambler

"and 'bawdy house' operator from

"Niagara Falls, Ontario."

I take it this report from Sergeant Anderson was not brought to your attention?

THE COMMISSIONER: That was after the charter was issued.

MR. BREWIN: I think not, my lord. The charter was dated the 7th --

THE COMMISSIONER: The charter is dated the 5th.

MR. BREWIN: The 5th.

Q. As I recall - Mr. Cudney can tell me if I am wrong --

A. It was held up until the fee was paid and also until the undertakings were filed. Not the undertakings, but were carried out.

THE COMMISSIONER: Q. And it was mailed July 16th?

A. Yes.

MR. BREWIN: Q. Let me put it this way: This is the sort of report you would have got if the usual procedure had been carried out of receiving reports from the Ontario Provincial Police?

A. Who is it addressed to?

Q. The Assistant Commissioner of the Ontario Provincial Police by Sergeant Anderson in charge of the Anti-Gambling squad. This is the sort of information, I take it, that would have been valuable to you, had the report been sent to you by the Ontario provincial Police in the normal course, as you have described?

A. That is if the applications had been referred, Mr. Brewin.

Q. Yes, in the normal way.

A. Yes. I take it --

Q. That is the sort of information you would have got. It is probably the information you would have got. Is that right?

A. Yes.

Q. I put it to you, Mr. Cudney, as a matter of normal practice you would have felt rather hesitant, would you not, about granting a charter for a social club to someone who is said to be the "stooge" of a well known gambler and bawdy house operator?

A.Yes.

Q. And I suggest to you, except for very strong reasons, you would not likely have ap-proved or recommended the approval of the issue of a provincial charter to such a person?

A. Well, no, no. If it was a new application, certainly not, certainly not.

THE COMMISSIONER: Q. Well, new or --

A. Well, any application.

Q. Either a strictly new one or a substitute?

A. What I meant, my lord, if this -- if there had been no club operating and this was a new group applying for a charter I would have said certainly no; but in this situation, as I attempted to explain this morning, the situation was known and this was a substitute --

Q. That is not quite the way Mr. Erewin puts it to you.

A. I am sorry.

Q. Dates are important. The date of the charter was July 5th?

A. July the 5th, yes.

Q. But you did not really let go of it until July 16?

A. 16th.

Q. And on July 11 Sergeant Anderson gave Assistant Commissioner Bartlett a report

on those who were applicants for the charter, including this man --

Damore?

MR. BREWIN: Damore.

THE COMMISSIONER: Q. Damore. In that report he said Damore was the stooge for a well known gambler and bawdy house operator in Niagara Falls, one Borelli. Mr. Brewin is asking you if that information had come to you while you still actually had the charter in your possession what would you have done about it?

That is your question, Mr. Brewin?

MR. BREWIN: Yes.

A. I would have brought it to the attention of my Minister to have obtained his views as to whether a charter should be issued in view of this --

Q. Adverse information you then would have received?

A. Yes, and in view of the request to issue it without referral I still would have brought it to his attention.

Q. I take it you would not have recommended it?

A. No, I don't think I would. No, I wouldn't. I have turned down applications on a lot less.

Q. Mr. Cudney, I assume, under our constitutional system, that you, as a senior

civil servant, are under the direction, to a degree, of the Minister of the Crown?

A. That is true, yes. That is true.

Q. That is true. And in matters

AA 4 of policy and outside the ordinary routine you do not exercise your own judgment, you exercise the judgment of the official representative of the Crown?

A. Yes, that is right. As Deputy Minister I am an executive officer to carry out the administration. I don't decide matters of policy.

THE COMMISSIONER: Q. The Minister of the Crown looks to his deputy for guidance, and so forth?

A. That is right.

MR. BREWIN: Q. And I put it to you, Mr. Cudney, if this information about this man Damore, had been known to you and you had been asked for advise you would have advised, surely, against issuing a charter to a social club to such an individual?

A. Yes, undoubtedly.

Q. I put it to you the reason this charter was issued was because of the intervention of your political chiefs, Mr. Roberts for one and Mr. Dunbar for another?

THE COMMISSIONER: Intervention between whom?

MR. BREWIN: Intervention in this

particular matter, political rather than administrative.

THE COMMISSIONER: Just a moment. Intervention has a very definite meaning. If someone intervenes, he is intervening between persons.

MR. BREWIN: Perhaps that is an unfortunate terminology and I will come back to this in a different way.

Q. I take it that if you, as the senior civil servant, had been responsible for this decision you would not have made it?

A. No, not with an applicant with that record, no.

Q. Let me leave that for a minute and go to this: These applications for these three clubs, your first knowledge of them came in rather an unusual manner, didn't it?

A. Well, yes, I suppose so.

Q. Let me put it to you that you, Mr. Cudney, have received, as the senior civil servant, and been familiar with the incorporation of innumerable incorporations in this province, as well as social clubs. Is that not true?

A. Yes.

Q. And I take it the usual manner these things come about, I assume, is through

[illegible] nature, political [illegible] [illegible].

[illegible]. Just a moment, [illegible] has a very definite meaning, of another interest, he is interpreting [illegible] passage.

Mr. [illegible]: Perhaps that is [illegible] and I will [illegible] to this in a different way.

Q. I take it that if you, as the senior civil servant, had been responsible for this donation you would not have made it?

A. No, not with an applicant with [illegible].

Q. Let me leave that for a minute and go to this: These applications for these three clubs, your first knowledge of them came in rather an unusual manner, did it not?

A. Well, yes, I suppose so.

Q. Let me put it to you that you, Mr. Dudney, have received, as the senior civil servant, and been familiar with the incorporation of innumerable incorporations in this province, as well as social clubs. Is that not true?

A. Yes.

Q. And I take it the usual manner these things come about, I assume, is through

correspondence from the solicitor direct to your office?

A. That is true, yes.

Q. And it was a little unusual, was it not, to have the Attorney General come to you at the opening of this matter and inform you about the proposed incorporation of these social clubs?

A. Well, yes, in the meaning of the word "unusual", yes, it was unusual. I mean, the usual way is for it to come through the solicitors.

Q. When he came to you, I noted the words you gave us in chief, he first of all -- He did not come to you; he phoned you, first of all?

A. Yes, that is true.

Q. That is the first you knew of the matter?

A. The first I knew, yes.

Q. You had not seen the application at all?

A. No.

Q. And, normally, thedecision as to applications rests with your department, subject to over-riding judgment, I suppose, of the Minister in charge of the department?

A. That is true, yes. Yes.

Q. Apparently during this phone conversation the Attorney General told you

correspondence from the solicitor direct to your office?

A. That is correct, yes.

Q. Did it come to little more, was it not, to have the Attorney General come to you at the opening of this matter and inform you about the proposed incorporation of these social clubs?

A. Well, yes, in the meaning of the word "consent", yes, it was consent. I mean, the usual way is for it to come through the solicitors.

Q. When he came to you, I noted the words you gave us in chief, he first of all -- He did not come to you; he phoned you, first of all?

A. Yes, that is true.

Q. That is the first you knew of the matter?

A. The first I knew, yes.

Q. You had not seen the application at all?

A. No.

Q. And, normally, precedence as to applications rests with your department, subject to over-riding judgment, I suppose, of the Minister in charge of the department?

A. That is true, yes. Yes.

Q. Apparently during this phone conversation the Attorney General said you

Mr. Louis Herman had come to see him about this matter?

A. Yes, yes.

Q. And that they had protested their innocence -- these clubs, through Mr. Herman?

A. That is true, yes.

Q. And that if theywere to incorporate under the provincial charter that would be regarded as an act of good faith?

A. Yes.

Q. The next note I have of what you have said of this conversation is that Mr. Roberts intimated the decision had been made. Do you recall telling us that in chief?

A. Yes, he said that it had been decided, yes. It had been decided --

Q. What had been decided?

THE COMMISSIONER: Let him finish.

A. To issue the charters.

MR. BREWIN: Q. Had been decided to issue the charters?

A. Yes.

Q. In other words, it had been decided before any application had been received and before your department had considered the matter at all?

A. Yes.

Q. The decision had been made?

[illegible]

[illegible] Commissioner?

A. Yes, Sir.

Q. And was given full protection under Immigration -- Minister's Order, pursuant to Section [illegible]

A. [illegible] Act [illegible].

Q. And which Act authorizes the [illegible] that would be requested as an act of [illegible] Canada?

A. [illegible].

Q. The words here I have at which you have said of this conversation in [illegible] Immigration [illegible] Act [illegible] Minister [illegible] Valley [illegible]?

A. Yes, he said such it had been [illegible].

Q. [illegible] been [illegible] —

MR. [illegible]: Let him finish.

A. He [illegible] conversation.

Q. [illegible] Q. And been decided to [illegible] conversation?

A. Yes.

Q. In other words, it had been decided before any application had been [illegible] Immigration and [illegible] Minister of [illegible]?

A. Yes.

Q. The decision had been made?

A. Yes.

Q. There was an air of finality, I gather, about it in the conversation?

A. Yes.

Q. There was not much left for you to consider then, at that stage?

A. He said it had been decided. It was still up to the Provincial Secretary's department but I think when he said -- He said, "It has been decided", as I recall the conversation. He meant that he had decided. Whether it would still be up to the Provincial Secretary's department --

Q. To go through the motions?

A. Yes.

Q. He did not tell you who had decided, I suppose, just it has been decided? That is the note I took.

A. Yes.

Q. He did not tell you who had made the decision?

A. No.

THE COMMISSIONER: Q. Tell us as near as you can recall what he said to you.

A. He called and he said that Mr. Herman had seen him. Either, I gather, Mr. Herman was in his office at that time or had just left. And in respect to these three Dominion charters that Mr. Herman had professed the innocence of these three

A. Yes.

Q. There was an air of finality, I gather, about it in the conversation?

A. Yes.

Q. There was not much left for you to consider then, at that stage?

A. He said he had been thinking. He was still on to the hypothetical discussion's [illegible] — he said, "If the jury convicted," as I recall the conversation. He spoke that as that worked. However it would still be up to the [illegible] Commission [illegible] —

Q. To go through the mechanics?

A. Yes.

Q. [illegible] that you had been [illegible], I suppose, just as he had been discussing that in the [illegible] I mean.

A. Yes.

Q. Do you not [illegible] you was [illegible]

A. No.

[illegible] Q. Did you in your [illegible] when he said [illegible]

A. He actually put it [illegible]

Q. [illegible] "[illegible]"?

A. Phones are in the offices in [illegible] so that just [illegible] and in response to [illegible] Commission [illegible] he. [illegible] had produced the [illegible] of [illegible]

charters -- or, the three clubs were pressing their innocence and as evidence of good faith they were willing to give up, cease to operate under the federal charter, and to take out -- under provincial jurisdiction. So as -- And, then, he said, "It has been", I think; "It has been decided". Or, it might have been, "I have decided". But, I think it was "It has been decided to issue these charters". Because, I mean, it will bring them under provincial control, as I recall it. I remember the conversation but to remember the exact language, I can't remember exactly, but I am trying to give you the gist and the principle of it. I remember that they had offered to take out provincial charters as evidence of good faith and that it has been decided it would be -- that -- to issue the charters. Mr. Roberts may have said, "I have decided", or -- I think. But, as near as I can recall, "It has been decided".

Q. Yes.

A. This, my lord, is five years ago.

Q. I appreciate that.

A. And I do remember the call. I remember the conversation but I think what he said was, "It has been decided". He may

have said, "I have decided".

Q. Keep your voice up.

A. Or, "I have decided". But, I think -- That is as near as I can recollect.

Q. It did not end there?

A. No.

Q. You immediately brought up the subject of --

A. Of referral. I then mentioned to him, "Will these applications be referred to the police?", he said, "No, in the circumstances I don't think that they should". And, I believe, as I recall it, this was to bring them under -- or, the province would have control over them, where they didn't have any control over them now.

AA5 Q. All right.

MR. BREWIN: Q. I take it he did not ask your opinion or suggest as a senior civil servant you should give any advice on the matter?

A. No, I don't think he did. He said -- No, I can't recall that he did.

THE COMMISSIONER: Q. If he said to you, "It has been decided to issue the charters", he would not in the next breath say, "We want your opinion on it". Or, did he say that?

A. I can't remember that he did, my lord. He might have, but I can't remember

that he did. That is my view of it.

Q. Was your opinion at any time asked?

A. Well, yes. At first blush, when he first mentioned it to me, I thought, "Well, can we issue these? We know the history". When I thought it over shortly on the matter, of maybe minutes, I thought, "Well, it's to make a bad situation better". That is, there are three now --

Q. You told us that a number of times. My simple question was: Were you asked for your opinion on the matter at any time?

A. No, I don't recall that Mr. Roberts asked me on the phone. When I discussed it with Mr. Dunbar, the first discussion --

Q. Let us take it one at a time. I am thinking only at the moment of your discussions with the Attorney General's department. Were you at any time asked by that department for any recommendations or for your opinion with reference to recommendations on the charter?

A. No, I can't recall that I was, my lord.

Q. Now, you say you took it up with Mr. Dunbar?

A. I mentioned it shortly after.

I went up to see Mr. Dunbar. It was either when I hung up the phone or shortly after. Mr. Dunbar didn't know about the situation and he was a little reticent. I still hadn't formed any definite idea. My first blush was, "Well, we know we shouldn't be issuing these charters."

(Page 1151 follows)

And then the more I thought it over, and talking with Mr. Dunbar that he would bring them if they gave up - - that came out in Mr. Robert's conversation, but theywould give up the Dominion charter, that it would make a situation better. Mr. Dunbar and I did not come to any definite conclusion. The first talk I had with him - and as I remember, this was five years ago, and Mr. Herman came down with the applications, and I required the undertakings to be filed as a condition, but I said, "I will have - - " Oh, I told Mr. Roberts I would have to speak to Mr. Dunbar about it. And then I said, "I will have to mention it to Mr. Dunbar", and at that time I gathered that Mr. Roberts had spoken - -

THE COMMISSIONER: Don't imagine anything.

THE WITNESS: I am sorry, my lord, I gathered - I will put it that way, that Mr. Roberts had spoken to Mr. Dunbar.

THE COMMISSIONER: All right.

MR. BREWIN: Well then, on the second occasion that you spoke to Mr.Dunbar, once again, it was apparent that the decision had been made, and that you were not asking advice on that occasion?

A. Yes, that is true, yes.

Q. And it would be fair, I take

And then the more I thought it over, and talking with Mr. Dunbar that he would break him if they gave up - - that came out in Mr. Roberts's conversation, but they would give up the Dominion charter, that it would make a situation better. Mr. Dunbar and I did not come to any definite conclusion. The first talk I had with him - and as I remember, this was five years ago, and Mr. Herman came down with the applications, and I required the undertakings to be filed as a condition, but I said, "I will have - - " Oh, I told Mr. Roberts I would have to speak to Mr. Dunbar about it. And then I said, "I will have to mention it to Mr. Dunbar", and at that time I gathered that Mr. Roberts had spoken - -

THE COMMISSIONER: Don't imagine anything.

THE WITNESS: I am sorry, my lord, I gathered - I will put it that way, that Mr. Roberts had spoken to Mr. Dunbar.

THE COMMISSIONER: All right.

MR. DRAWIN: Well then, on the second occasion that you spoke to Mr.Dunbar, once again, it was apparent that the decision had been made, and that you were not asking advice on that occasion?

A. Yes, that is true, yes.

Q. And it would be fair, I take

it, to say, that the decision in this particular case was made on the instance of the - if I may call it - the political representatives, in the political branch of the Government, Mr. Roberts, and Mr. Dunbar, and not through the advice or recommendations of your Civil Service Administration?

A. Well now, I told you exactly what happened, Mr. Brewin.

THE COMMISSIONER: You have, that is a very good answer.

MR. BREWIN: Q. Now, I meant to ask you a little bit about the policing of these charters, a great amount has been said on the fact that they are now under the Ontario jurisdiction. They would be able to do something about it. The first condition here is that they were to establish, maintain, and conduct, a club - - I beg your pardon, "provided however, that the corporation shall not - - - " This is Exhibit 11-C -- "shallnot maintain

"a clubhouse or similar premises

"other than on lot east point 3,

"Concession 3, in the Township of

"Bertie, in the County of Welland."

That is the first condition. Do you know if that condition was complied with, and for how long?

A. No, I don't, Mr. Brewin.

it, to say, that the decision in this particular case was made on the instance of the - if I may call it - the political representative, in the political branch of the Government, Mr. Roberts, and Mr. Dunbar, and not through the advice or recommendations of your Civil Service Commission?

A. Well now, I told you exactly what happened, Mr. Irwin.

THE CONCILIATOR: You know, that is a very good answer.

MR. IRWIN: Q. Now, I meant to ask you a little bit about the policing of these charters, a great amount has been said on the fact that they are now under the Ontario jurisdiction. They would be able to do something about it. The first condition here is that they were to establish, maintain, and conduct, a club - - I beg your pardon, "provided however, that the corporation shall not - - - " This is Exhibit 11-C -- "shall not maintain "a clubhouse or similar premises "other than on lot east point 3, "Concession 3, in the Township of "Bertie, in the County of Welland." That is the first condition. Do you know if that condition was complied with, and for how long?

A. No, I don't, Mr. Irwin.

Q. Did you make any effort in your department to find out whether that condition is complied with or not?

A. No, we don't.

THE COMMISSIONER: You don't police these clubs?

A. No. As a matter of fact this year, in our annual returns, we have changed our regulations, and all clubs in their annual return, in addition to their head office, has to indicate their club, the address of their club premises.

MR. BREWIN: Well, this particular thing about where the club premises shall be, is it not disclosed in the annual returns that are filed with your department?

A. No. Up until this year the returns that will be due, - - at least, going out the first of April, next week, any corporation including a spcial club and so on, has to show the address of the head office, and not the club premises.

Q. Have you got the 1959 and 1960 returns of this particular corporation, the Frontier Club?

A. Yes, I have, Mr. Brewin, the 1959 and 1960.

Q. Yes. Now, according to my information, the 1958 and 1959 returns were not

Q. Did you make any effort in your department to find out whether that condition is complied with or not?

A. No, we don't.

THE COMMISSIONER: Do you'r police these clubs?

A. No. As a matter of fact this year, in our annual returns, we have changed our regulations, and all clubs in their annual return, in addition to their head office, has to indicate their club, the address of their club premises.

MR. [illegible]: Will, then particular thing about where the club premises shall be, is it not disclosed in the annual returns that are filed with your department?

A. No. By until the year the returns that will be due, - - at least, going out the first of April, next week, any corporation ~~k~~ including a special club and so on, has to show the address of the head office, and not the club premises.

Q. Have you got the 1959 and 1960 returns of this particular corporation, the Frontier Club?

A. Yes, I have, Mr. [illegible], the 1959 and 1960.

Q. Yes. Now, according to my information, the 1958 and 1959 returns were not

filed until quite some time later, is that right?

A. Well now, it is incorporated July the 5th, 1957, and then there would be a return due as of - -

THE COMMISSIONER: 1958.

THE WITNESS: 1958, and the 1958 return has not been filed. The 1959 return, March the 31st, 1959, has been filed.

Q. What date was it filed?

A. It was filed on May the 2nd, 1960.

Q. Yes?

A. And the - -

Q. And would you - if you are looking at that now, stop and tell me if that indicates any club location?

A. All, Mr. Brewin, in the return they are required to set out the address of the head office, and the head office is given, my lord, as R.R.#2, Garrison Road, Fort Erie.

Q. And what about the 1960 returns?

A. And the 1960 returns shows R.R.#2 Garrison Road, Fort Erie, I don't know - -

THE COMMISSIONER: Frequently the head office is in some law office?

THE WITNESS: That is true, yes. That is true, my lord.

MR. BREWIN: So it does not show whether

filed until quite some time later, is that right?

A. Well now, it is incorporated July the 5th, 1957, and then there would be a return due as of - -

THE COMMISSIONER: 1958.

THE WITNESS: 1958, and the 1958 return has not been filed. The 1959 return, namely the July, 1959, has been filed.

Q. What date was it filed?

A. It was filed on May the 2nd, 1960.

Q. Yes?

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Q. And would you - if you are looking at that know, stop and tell me if that indicates any club location?

A. All, Mr. Bowlin, in the returns they are required to set out the address of the head office, and the head office is given, my dear, as R.R.#2, Courtenay Road, Port Elgin.

Q. And what about the 1960 returns?

A. And the 1960 returns show R.R.#2 Courtenay Road, Port Elgin, I don't know - -

THE COMMISSIONER: Frequently the head office is in some law office?

THE WITNESS: That is true, yes. That is true, my lord.

MR. BOWLIN: So it does not show whether

they have maintained a club house, or similar premises, as this condition requires?

A. No, it does not.

Q. And at this stage, you had no means of finding out, so far as your department was concerned, nothing was done to find out?

A No.

Q. Whether that condition is carried out, you don't know?

A. No.

Q. Do you know if any other department has any responsibility in connection with the carrying out of this?

A. It is a matter forthe police departments, if they have any difficulty - if they report to us, that they are operating at another address, and we cancel charters on that basis.

Q. Was that - - this charter has not been cancelled yet, has it?

A. No, I had a report from the Provincial Police, my lord, I think it was the first of this month, alleging illegal gaming, and I sent out a letter of cancellation to the club.

THE COMMISSIONER: You told us all about that. The letter was returned?

THE WITNESS: Yes, it was returned and now I have sent out another one.

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THE COMMISSIONER: You told us all about that. The letter was returned?

THE WITNESS: Yes, it was returned and now I have sent out another one.

MR. BREWIN: Now, Mr. Cudney, I understood you to say, so far as you knew - the incorporation of these social clubs did not make any difference in their operation - did not make any difference in regard tothe legality of their operation?

THE COMMISSIONER: Now just a moment, that is not what he said.

MR. BREWIN: Oh well, I am sorry.

THE COMMISSIONER: The question was put to him, "Do you need to be incorporated to carry on gambling?"

MR. BREWIN: I see, and your answer to that was what?

THE COMMISSIONER: Anybody can carry on gambling, I suppose, whether they are incorporated or not.

THE WITNESS: You don't need incorporation.

MR. BREWIN: There is an advantage in being incorporated, I take it?

A. Now - - well, at least section - a section of the Criminal Code, 1938 amendment, it prevents a bona fide social club to charge up to 10 cents an hour per player, and not more than 50 cents a day, if they are incorporated.

Q. Now these particular clubs that we are dealing with here, before they were incorporated, there were branches, were there not,

MR. BRAWIN: Yes, Mr. Gadsby, I undertood you to say, so far as you knew - the incorporation of these social clubs did not make any difference in their operation - did not make any difference in regard to the legality of their operation?

THE COMMISSIONER: Now just a moment, that is not what he said.

MR. BRAWIN: Oh well, I am sorry.

THE COMMISSIONER: The question was put to him, "Do you need to be incorporated to carry on gambling?"

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A. Now - - well, at least section - a section of the Criminal Code, 1938 amendment, it prevents a bona fide social club to charge up to 10 cents an hour per player, and not more than 50 cents a day, if they are incorporated.

Q. Now these particular clubs that we are dealing with here, before they were incorporated, there was [illegible], very [illegible],

of the Army Navy Veterans Association - whatever the name is?

THE COMMISSIONER: Do you know if they were branches?

THE WITNESS: No, I have no knowledge of that.

MR. BREWIN: And you did say something about having acquired some knowledge as to when, or if these branches charters were cancelled. Did you not say something - - -

THE COMMISSIONER: What is that question again?

MR. BREWIN: I think in his evidence in-chief, Mr. Cudney said he had acquired some knowledge, more or less recently, as to whether these branches charters had been cancelled by the parent - - -

A. No, I was asked a question by Mr. Hogg, but I know that these three on the cancellation proceedings, were amended - -

THE COMMISSIONER: Were pending.

THE WITNESS: Were pending.

THE COMMISSIONER: At the time the provincial charters were - - -

THE WITNESS: Yes.

THE COMMISSIONER: And you said you had no knowledge of that?

THE WITNESS: Yes.

MR. BREWIN: Do you know anything about

of the Army Navy Veterans Association - whatever
that may be?

THE COMMISSIONER: Do you know if they
were consulted?

THE WITNESS: No, I have no knowledge
of that.

MR. BREWIN: And you did say something
about having acquired some knowledge as to
when, or if there were charters cancelled.
Did you not say something - - -

THE COMMISSIONER: What is that
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THE COMMISSIONER: Were pending.

THE WITNESS: Were pending.

THE COMMISSIONER: At the time the
provincial charters were - - -

THE WITNESS: Yes.

THE COMMISSIONER: And you said you
had no knowledge of that?

THE WITNESS: Yes.

MR. BREWIN: Do you know anything about

the history of them since, as to whether they were in fact called in, or cancelled?

A. No, I don't.

Q. I am given to understand that you did say you knew the Alpha Club charter had been cancelled?

A. Yes, I found that out recently, yes, the Alpha Club.

Q. Do you know when it was cancelled?

A. No, I don't know exactly. I think - - I heard it was cancelled.

Q. By whom?

A. I don't know, I heard it had been cancelled, that is all.

Q. Did you hear when it had been cancelled?

THE COMMISSIONER: Well, do you know anything about it?

THE WITNESS: No, just that I heard that it had been cancelled.

MR. BREWIN: Perhaps we can deal with it - where didyou get whatever information you did have on it?

A. From Mr. Wilson - from Frank Wilson of the Attorney General's Department.

Q. Mr. Frank Wilson?

A. Yes.

MR. BREWIN: Thank you.

the history of them since, as to whether they were in fact called in, or cancelled?

A. No, I don't.

Q. I am given to understand that you did say you knew the Alpha Club charter had been cancelled?

A. Yes, I found that out recently, yes, the Alpha Zeta.

Q. Do you know when it was cancelled?

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Q. By whom?

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Q. Did you hear when it had been cancelled?

THE COMMISSIONER: Well, do you know anything about it?

THE WITNESS: No, just that I heard that it had been cancelled.

MR. MOWAT: Perhaps we can deal with it - where did you get whatever information you did have on it?

A. From Mr. Wilson - from Frank Wilson of the Attorney General's Department.

Q. Mr. Frank Wilson?

A. Yes.

MR. MOWAT: Thank you.

THE COMMISSIONER: Have you any questions, Mr. Wilson?

MR. WILSON: No questions.

THE COMMISSIONER: That is all, thank you, Mr. Cudney.

Now, does Mr. Herman want to come up here now.

THE COMMISSIONER: Have you any questions, Mr. Villani?

MR. WILSON: No questions.

THE COMMISSIONER: That is all, thank you, Mr. Cramey.

Now, does Mr. Herman want to come up now?

LOUIS HERMAN, sworn:

Your lordship, this morning when I addressed you, I suggested that the Commission knew me, I was not being facetious, I meant my name had been mentioned so many times, I figured you knew who I was. But, ever since November of last year, when my name was mentioned in the Legislature by Mr. Wintermeyer, - and I think I should spend two or three minutes on the background leading up to this - my name has been smeared across the front of the newspapers. For in many instances there was nothing I could do at that time - these were matters in which I represented clients - there was a privilege, there was no provision I could take.

Now, when this Commission began to begin hearings a few days ago, again my name was mentioned in so many instances, and I fully appreciate the fact, in the practice of law, and certainly in politics, one must accept these things, when my name is being used, but this does have an effect on one's family, and when today, in the Globe and Mail, a certain statement appeared, it was most upsetting, and their answers to all of these things. I have nothing to be ashamed of, and nothing to hide, but I read in the front page of the third section

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of the Globe and Mail this morning - -
I will read it to your lordship.

"A Toronto lawyer, Louis Herman,
"then supplied a list of 440
"members and 158 associate members,
"as well as the club by-law in enabling
"it to split the membership into
"two categories. Mr.Herman also
"supplied minutes of annual meetings
"on his request, Mr. Cudney said.
" Mr. Herman also left a fire
"marshall's report on the club
"premises, but Mr. Cudney said the
"lawyer also left a false impression
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"club doors barricaded.
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"that the first ten names on the
"members' list were lawyers and one
"of them was Sol Gebirtig, a Toronto
"lawyer who previously testified.
"Mr. Wilson said he noticed this
"because Mr. Gebirtig had sworn he
"was a member of the Alpha Club
"and the Jordan Club, but not this
"one."

Now, my lord, in view of the fact that my name has been mentioned so many times, I was prepared to accept a certain amount, and I have volunteered

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to Mr. Wilson to come here to give evidence, but when they suggest this morning that I left a false impression, that is a reflection on my professional integrity. I did not leave any false impression. I have the transcript here, and also when they suggest immediately in the next paragraph,

"that the first ten names on the "members' list were lawyers, "

completely out of the order in which the evidence was presented here yesterday - - that was earlier in the day - why then mention the ten lawyers, after referring to me, I don't know. But, I was never a member of this club, I belong to many important organizations, and this affects my reputation with these organizations. I felt that I should come here out of duty to myself, and my family, and point out that so far as I am concerned, any actions I took in these matters were purely professional, as a solicitor. I was never a member of this club, or any other club mentioned here. I never gambled in any of these premises. The last time I ever gambled was in 1951, in Havana Cuba. And, there is so much of an aura or something wrong about this thing, that I felt I should come to the Commission.

MR. WILSON: Mr. Commissioner, if you want to get the exact - - -

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MR. WILSON: Mr. Commissioner, if you want to get the exact - - -

THE COMMISSIONER: Apart from what may have been referred in the Globe and Mail, have you received any actual transcript of the evidence?

MR. HERMAN: Yes.

THE COMMISSIONER: Have you any objection to what is there?

MR. HERMAN: Well, your lordship, I was going to say, I have no objections for you, but Mr. Cudney told me when I came here this morning, at the recess, he told me he certainly had no intention of making any suggestion that I had made any false statements.

THE COMMISSIONER: I did not understand Mr. Cudney to say that, that you had made any false statements.

BB/3

MR. HERMAN: That is exactly what he said to me, but I look - if you look at the evidence, as it is stated on page 914, my lord.

MR. MacKINNON: And page 915, my lord,

MR. HERMAN: Yes, at the bottom of page 914, if I may read it to you from my note of the evidence,

"He also brought with him - - "

and I am reading from Mr. Cudney's answer - -

THE COMMISSIONER: What line?

MR. HERMAN: I haven't a copy with me, right here.

THE COMMISSIONER: Didn't that -

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MR. McKINNON: And page 915, my lord.

MR. HERMAN: Yes, at the bottom of page 914, if I may read it to you from my note of the evidence.

"He also brought with him - - "

and I am reading from Mr. Cudney's answer - -

THE COMMISSIONER: What line?

MR. HERMAN: I haven't a copy with me, sir.

MR. WILSON: Line 25.

THE COMMISSIONER: Yes.

MR. HERMAN: "He also brought "with him the minute book and he "attached there a report from the "Fire Marshall and he mentioned "that mention had been made of "the club barricading its doors, "and he said: 'Well, the barricade "is by reason of the requirement "of the Fire Marshall. The Fire "Marshal has required these bolts.' "He left this minute book and this "Fire Marshall's report with me, "and I have a list of the members."

And then further down, my lord - -

THE COMMISSIONER: Have you any complaint of what he there said?

MR. HERMAN: Yes, the matter of the barricade was not mentioned. It was - what was mentioned was mentioned by Mr. Cudney, but not by me.

THE COMMISSIONER: Yes?

MR. HERMAN: The only thing I mentioned was these bolts - that I was instructed by myclients that these bolts had been put on, by order of the Fire Marshall.

THE COMMISSIONER: That is what I understood him to say.

MR. WILSON: Line 25.

THE COMMISSIONER: Yes.

MR. HERMAN: "He also brought "with him the minute book and he "attached there a report from the "Fire Marshall and he mentioned "that mention had been made of "the club participating its dance, "and he said: 'Well, the participate "is by reason of the requirement "of the Fire Marshall. The Fire "Marshal has required these bolts.' "He left this minute book and this "Fire Marshall's report with me, "and I have a list of the members."

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THE COMMISSIONER: That is what I understood him to say.

MR. HERMAN: Yes, and then further down the implication - half way down the page,

"the implication, I think it was

"a wrong impredsion that was given,

"but the Fire Marshall was asking

"that these bolts be put on."

Now, that is what was said, but that one, reading the newspaper, particularly - -

THE COMMISSIONER: Have you any objection to what was there said? Take this in front of you.

---(The Commissioner hands Mr. Herman a copy of the Transcript)

What I want to get here is - -

MR. HERMAN: I have no objection to it, as long as it is not suggested that I made any false statement, or did anything other than representing what my clients had advised me. I had no personal knowledge of these things.

THE COMMISSIONER: I did not think Mr. Cudney was indicating otherwise.

MR. HERMAN: One member of my family did not sleep all night because of this, and it becomes a matter of importance to me that there is no - my professional integrity is concerned, I am proud of it, and there is suggestion here (indicating) I felt I should come here and point it out. I don't know why the newspaper would immediately in the

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---(The Commissioner hands Mr. Herman a copy of the Transcript)

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following paragraph say,

"that the first ten names on the "members' list were lawyers".

Now, that was mentioned earlier in the evidence, many pages previously. When the newspaper mentions this summary after referring to a lawyer, in addition to all the other inuendos mentioned down through the week, and ever since this speech was made in the Legislature that there was something sinister about my conduct in this matter, it becomes a matter of serious importance to me.

THE COMMISSIONER: Well, I think you had better take that up with the Globe and Mail, and you have now had the opportunity of getting it spread on the record here.

MR. HERMAN: Yes, of course, my lord, but I also this mornigg - I ascertained from the Attorney General's department the telephone number of this Commission and I telephoned Mr. Wilson, and I told Mr. Wilson that as far as I am concerned, I have nothing to hide. I don't know whether or not it was intended to subpoena me, but I certainly want to come here, and anything I say, and anything I have done, I did throughout as solicitor and counsel only, and with reference to these proceedings, there is a transcript which I have, of everything that was said.

Tylinski stenographer sworn.)

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c/1/GS

MR.WILSON: Well, Mr. Commissioner, I told Mr. Herman I would be subpoenaing him. He said he didn't need a subpoena, he would come when we want him.

MR. HERMAN: That is right.

MR. WILSON: And he will be given an opportunity of stating the facts at that time.

MR. HERMAN: That is right. Now, Mr. Wilson has asked me to bring some facts with me, which I have, sir, and he told me he intended to examine me subsequently, and I said, as far as I am concerned, I am interested in getting these matters straightened out. Now, I will come back, and deal with the other matters.

THE COMMISSIONER: Is that all for today?

MR. HERMAN: Well, that is all I wish to say, Mr. Commissioner, I wanted this pointed out to you. I want my position made clear. I don't know whether anybody wants to ask me any questions.

THE COMMISSIONER: That is all you want to volunteer, in any event?

MR. HERMAN: No, I am prepared, if there were any evidence in regard to this entire matter.

THE COMMISSIONER: Now, have you any questions you want to ask, Mr. Wilson, at this

MR. WILSON: Well, Mr. Commissioner, I feel sorry, because I would be subpoenaing him. He will be ready upon a subpoena. So there would then be no need for me to call him.

MR. HANNAH: That is right.

MR. WILSON: And he will be given an opportunity of stating the facts at that time.

MR. HANNAH: That is right. Then, Mr. Commissioner, I think we be giving some facts also, which I have, but he could be invited to consider the subpoena, and I say, as far as I am concerned, I am interested in getting these matters straightened out. Now, I will come back, and deal with the witness.

THE COMMISSIONER: Do that all the time?

MR. HANNAH: Well, that is all I wish to say, Mr. Commissioner, I wanted that pointed out to you. I make my position quite clear. I don't know whether anyone wants to ask me any questions.

THE COMMISSIONER: That is all you want to volunteer, in any event?

MR. HANNAH: No, I am prepared, if there were any evidence in regard to this entire matter.

THE COMMISSIONER: Now, have you any questions you want to ask, Mr. Wilson, as this

stage?

MR. WILSON: No, I am not prepared to examine Mr. Herman at this stage. I have him on the list.

THE COMMISSIONER: Yes.

MR. WILSON: But he hasn't reached his turn.

MR. MacKINNON: I wonder if he has not - has not reached his turn with regard to the Yets' Club? Mr. Wilson has been putting in all the references.

THE COMMISSIONER: Well, he says he isn't ready to examine him yet. Are you?

MR. MacKINNON: I would like Mr. Wilson to lead me, certainly. Not necessarily by the hand, but to lead me, and I will follow, but if he is not prepared to go on.

THE COMMISSIONER: He says he is not prepared to go on.

THE WITNESS: I am not only prepared but I am most anxious to clear these matters up.

MR. MacKINNON: I am sure you will be given an opportunity, Mr. Herman, if Mr. Wilson says so.

THE COMMISSIONER: All right. Thank you, Mr. Herman.

A. Thank you, my lord. I appreciate

[illegible]

MR. WILSON: No, I am not prepared to examine Mr. Herman at this stage. I have him on the list.

THE COMMISSIONER: Yes.

MR. WILSON: Can we leave Mr. [illegible] his seat.

MR. MACDONALD: I wonder if he has not - has not received his own subpoena to the Yeoh' Court? Mr. Wilson has been putting in all the references.

THE COMMISSIONER: Well, he says he isn't ready to examine him yet. Are you [illegible]

MR. MACDONALD: I would like Mr. Wilson to lead me, certainly. Not necessarily by the mean, but to lead me, and I will follow, but if he is not prepared to go on.

THE COMMISSIONER: He says he is not prepared to go.

THE WITNESS: I am not only prepared but I am most anxious to clear these matters up.

MR. MACDONALD: I am sure you will be given an opportunity, Mr. Herman, if Mr. [illegible] says so.

THE COMMISSIONER: All right. Thank you, Mr. Herman.

[illegible]

the courtesy.

---The witness withdrew.

MR. WILSON: Now I guess we will call Commissioner Clark.

WILFRED HAMILTON CLARK, sworn:

EXAMINED BY MR. WILSON:

Q. You are the Commissioner of the Ontario Provincial Police?

A. I am, sir.

Q. And you were appointed to that position on August the 1st, 1958?

A. That is true.

Q. Now, I show you a list of the senior officers of your Force, with the dates of their appointments. The list includes Commissioner W.H.Clark, Deputy Commissioner J.Bartlett. Former Commissioner H.V.McNeill, retired and deceased?

A. That is correct.

Q. I think he died after this was prepared?

A. That is true.

Q. Former Deputy Commissioner W.H.Lougheed. Former Deputy Commissioner A.Moss, retired; and Former Deputy Commissioner E.T. Doyle, retired.

Now, this covers the list of commissioners and deputy commissioners for the past ten years?

A. That is correct.

Q. And it sets out the posts that

those persons held prior to their appointment either as commissioner or deputy commissioner respectively?

A. That is correct.

MR. WILSON: That will be Exhibit number - -

THE REGISTRAR 60.

THE COMMISSIONER: Yes.

MR. WILSON: 60.

THE REGISTRAR: 60.

---EXHIBIT NO.60: List of commissioners and deputy commissioners of the Ontario Provincial Police from 1952 to date.

THE COMMISSIONER: Beginning what year is that?

A. 1952, my lord, to '62. The present time.

MR. WILSON: Now, there is one matter that I would like to deal with immediately, and that is - where is the transcript, that is the testimony given on the cross-examination of George Scott at the recent trial of Joseph McDermott, Vincent Feeley and R.J.Wright, is it?

A. That is correct.

Q. For conspiracy at the City of Toronto, and the copies of the testimony of George Scott which I refer to , read as follows:

"Cross-examination by Mr. McDermott:

these patterns held prior to their appointment without an immediate or early constitutional responsibility.

A. That is correct.

Mr. WILSON: That will be satisfied

shortly.

Mr. Gorton: Yes.

The Secretary: Yes.

Mr. Wilson: Mr.

Mr. Gorton: Mr.

Question Stated: Lack of consultation and largely unsatisfactory of the Senate previously prior that ought to have.

The CHAIRMAN: Explaining that point

to start.

A. Yes, or that, in the

few present time.

Mr. WILSON: Yes, There is one matter that I would like to deal with immediately, and that is - owing to the shortcuts, that is the testimony given on the cross-examination of Senator Scott at the recent trial of George Reynolds, Vincent Healy and R.J.Wright, in 1971.

A. That is correct.

Q. Her conviction of the only of Scotsman, and the copies of the testimony of George Scott which I refer to , read as follows:

"Have conversations in W. Gorton?

"Q. Now, when you phoned my
"home on one occasion to give me a
"tip-off -- we will just see about
"this -- when you phoned my home
"on one occasion and you were going
"to give me a tip-off about a raid
"and I said, 'No, no, don't tell me'"

THE COMMISSIONER: Who is being examined here?

MR. WILSON: That is the examination - cross-examination of George Scott by Mr. McDermott, one of the accused.

"you were going to give me a tip-off
"about a raid, and I said, 'No, no,
"don't tell me'.
"And you have given evidence in this
"court that I said somebody had told
"me already. You said in this court
"Mr. Bartlett told me. I didn't say
"that.
"A. You did.
"Q. I didn't say that.
"A. You did."

And then there is a discussion between his lordship and the accused, and then the question follows:

"I didn't; I said the Commissioner -
"told me, the Commissioner told me.
"I put it to you, Mr. Scott, that when
"I told you the Commissioner told me,

"Q. Now, when you passed by
"some or other question to give me a
"tip-off -- we will just see about
"this -- when you passed by some
"of the members and you were going
"to give me a tip-off about a raid
"and I said, 'No, no, don't tell me'"
THE CONSTABLE: Who is talking
[illegible]

MR. MCLEOD: That is the examination -
cross-examination of George Zeck by Mr. Robertson,
QC, of the Accused.

"you were going to give me a tip-off
"about a raid, and I said, 'No, no,
"don't tell me'.

"And you have given evidence in this
"court that I said somebody had told
"me already. You said in this court
"Mr. Barrett told me. I didn't say
"that.

"A. You did.

"Q. I didn't say that.

"A. You did."

And then there is a discussion between his lordship
and the accused, and then the question follows:

"I didn't; I said the Commissioner -
"told me, the Commissioner told me.

"I put it to you, Mr. Scott, that when
"I told you the Commissioner told me,

"you knew the jig was up.

"A. No."

"Q. And if you went back and put "in this report that the Commissioner "told me, he would have regarded you "as pulling his leg.

"A. No.

"Q. But you were too smart for "that.

"A. All I said what you said that "Jimmie Bartlett told me."

And I don't think the rest of it is particularly relevant. Do you know Joseph McDermott?

A. I do not know the man. I never spoke to him in my life.

Q. Well, have you ever had any connection with Mr. McDermott, directly or indirectly?

A. None whatever, sir.

Q. And did you ever give he or any other person any tip-offs in regard to any raids that any of your Force might be making?

A. No, I never did.

Q. Now, in your association with the Force, what branches of the Force did you carry on your work in? I see that you were appointed a Staff Inspector in April the 1st, 1953, and possibly to go back, when did you first join the Force?

A. I joined the force in the fall

"you knew the job was up.

"A. No."

"Q. And if you were there and you
"did this request don't the investigation
"hold me, he would have requested you
"to publish the law.

"A. No.

"Q. But you were too scared for
"that,

"A. All I said what you said was
"Mister Murphy told me."

And I don't think the word of 10 is particularly relevant. Do you know Joseph Hammond?

A. I do not know the man. I never spoke to him in my life.

Q. Well, have you ever had any conversation with, generally, directly or indirectly?

A. Some conversation, sir.

Q. And did you ever give him or any other person any up-offs in regard to any police that any of your force engage in making?

A. No. I never did.

Q. Now, in your conversation with the Force, what grounds of the Force did you carry on your work in? I see that you were appointed a Bailiff Inspector in April the 1st, 1903, and possibly to go back, when did you first join the Force?

A. I joined the Force in the early

of 1929.

Q. You were appointed senior staff inspector in April 1st, 1953; appointed Assistant-Commissioner, traffic, November 1st, 1955; appointed Acting-Commissioner, May 8th, 1958, and appointed Commissioner August 1st, 1958. Those are the correct dates, I take it there?

A. Yes, my lord, they are.

Q. Now, during your period of service with the Force, were you at any time associated with the C.I.B. branch?

A In 1947 I was appointed as Acting Inspector in the Criminal Investigation Branch, which was formed a year later, In 1948. In 1952, I was appointed Staff Inspector in charge of Traffic. In 1953, I was in the City of Toronto at Headquarters as senior Staff Inspector. In 1955, I think that isthe year, appointed Assistant Commissioner in charge of traffic law enforcement; and in 1958, May, 1958, appointed acting Commissioner, confirmed August 1st, of the same year.

Q. Now, after your appointment as Commissioner, what would be your duties or responsibilities in respect to the operation of the Anti-Gambling Branch?

A. Upon my being appointed, and the appointment confirmed some months, two or three months later, assistant-Commissioner Kennedy

of 1929.

Q. The date appointed under "Acting Inspector in April 1929, Appointed Assistant-Commissioner, Ranchi, November 1st, 1931" [illegible] 1929, and appointed Commissioner August 1st, 1933. These are the correct dates, I take it, aren't they?

A. Yes, my lord, they are.

Q. Now, during your period of service with the Police, were you at any time associated with the C.I.D. branch?

A. In 1927 I was appointed as Acting Inspector in the Criminal Investigation Branch, which was formed a year later. In 1929, in 1930, I was appointed Asst. Inspector in charge of Ranchi. In 1932, I was in the City of Tamkuhi as headquarters as Senior Asst. Inspector. In 1933, I think was during year, appointed Assistant Commissioner in charge of Ranchi (an outcommand) and in June, May, 1934, appointed acting Commissioner, Chotanagpur Division, of the same year.

Q. The actual date appointed as Commissioner, when would be your duties or responsibilities in regards to the operations of the Congress?

A. Upon my being appointed, was the appointment confirmed some months, two or three months later, Chotanagpur-Commissioner Division

was appointed to supervise the Anti-Gambling Branch, under my direction. He was the immediate supervisor of the branch, under the direction of the Commissioner.

Q. And after - -

THE COMMISSIONER: Just a moment, please -- he was appointed to supervise the Anti-Gambling Branch, under the direction. Just what do you mean by that, Commissioner?

A. He had the immediate supervision, and the direction of the branch, and anything that had to be discussed was discussed with me in my office.

MR. WILSON: Now, from August the 1st, 1958, up until the time that George Scott's reports, which I will deal with in a moment, and came - started to come in around February of 1960, was there any major policy matters, or other matters of importance, that you had to deal with in relation to the Anti-Gambling Branch?

A. No, there weren't.

Q. Now, when, for the first time, did you learn of the approach made by Constable R.J.Wright to Constable George Scott?

A. On February the 8th.

Q. 1960, and under what circumstances did you learn of this approach?

A. On that date, Assistant-

the Association is supporting the Anti-Gambling Bureau under my direction. He was the immediate supervisor of the bureau, under the direction of the Commissioner.

Q. And after --

[illegible] Commissioner, that a bureau, please -- he was appointed to supervise the Anti-Gambling Bureau, under the direction. Now, what do you mean by that, Commissioner?

A. He had the immediate supervision, and the direction of the bureau, and anything that had to be discussed was discussed with me in my office.

Mr. Wilson: Now, from August the 1st, 1929, up until the time that George Smith resigned, which I will deal with in a moment, did your - - strike in some in connect [illegible] of Light, was there any major policy matters, or other matters of importance, that you had to deal with in relation to the Anti-Gambling Bureau?

A. No, there weren't.

Q. Now, then, for the first hour, did you learn of the expenses made by Commissioner R.J.Wright to Canadian George Smith?

A. No I never saw the file.

Q. Did you later get this information?

A. Yes, I did later.

Commissioner Kennedy, Staff-Sergeant Anderson, came into my office and informed me that Anderson had been informed by Scott, that he, Scott, had been approached by a former member of the Anti-Gambling Squad with the suggestion that he, Scott, supply Wright with information concerning the activities of the Branch for monetary gain.

Q. And what instructions did you give as a result of that information?

A. I instructed the Assistant-Commissioner, in the presence of Sergeant Anderson, to advise Scott to fall in line with the suggestion of Wright in an undercover capacity.

Q. And to your knowledge at that time what memebers of the force were aware or were informed of this arrangement for an undercover operation by George Scott?

CC/2 A. At that time there was myself as Commissioner, assistant-Commissioner Kennedy, Sergeant Anderson.

Q. And the rpports that Scott made, which I understand were ten in all, came to - -

THE COMMISSIONER: Just a moment. Only Anderson, Kennedy, Scott and yourself?

A. That is correct, my lord, at thattime.

MR. WILSON: The reports were ten in

Constitutional Amendment, Anti-Gambling Initiative, Home Rule by Affirmed and Endorsed on that Amendment had been Endorsed by Scott, Thus So, Scott, had been supported by A Former member of the Anti-Gambling Home with the Legislation that Ma. Mary, Being Voted with Referendum Investigating the availability of the Grand Jury Amendment plus.

Q. And what Instructions did you give as a Result of that Information?

A. I instructed the Activities-Coordinator, in the presence of Deputy Attorney, to advise Scott to Call in line with the suggestion of Wright in an undercover capacity.

Q. And to your knowledge at that time what members of the Crime and Safety or were involved in the investigation in question Question Question by Judge Lewis

A. At that time there was myself as Coordinator, Deputy-Director-Security, Sergeant Lafferty.

Q. And was Sergeant Lewis Sworn made, which I understand were ten in all, were in ? -

The Coordinator: Just a moment.

Only Anderson, Kennedy, Scott and Sergeant?

A. That is correct, my Lord.

of Interview.

Mr. Gilbert: The Sergeant also was in

all that were made by George Scott in carrying out this undercover assignment?

A. That is correct.

Q. And the reports covered what period of time? Possibly if you look at the original reports, which I hand you , and which you have given to me, you can fix the earliest report, and the last report?

A. The earliest report is dated February the 11th, 1960. The last report is dated May the 27th, 1960.

Q. And then there is one further memorandum. I - I don't know whether you call that a report or not, but is there a memorandum attached to the original?

A. There is, sir, yes. That is a memorandum by Constable Scott, dated May the 31st, 1960.

Q. Now, while it covers that period of time, the reports are broken down into ten separate reports?

A. They are.

Q. And for example, the first report, which bears date February the 11th, does indicate - cover the activities of Constable Scott on February the 5th, February the 7th, and February the 10th?

A. That is correct.

Q. And so on. Each of the ten

all that were made by George Crane in carrying
out this economy committee?

A. That is correct.

Q. Did the figures (reading
from period of time) indicated at the time in
the original figures, which I hold here, you
which you have given to me, you can fix the
particular figure, and the last figure?

A. The particular report is
dated February the 11th, 1920.

Q. And then there is one
further recommendation. I - I don't know whether you
call that a report or not, but is there a
recommendation (reading) in the original?

A. There is, sir, yes. That is
a memorandum by Constantin Dovgal, dated May the 31st,
1920.

Q. Now, while it covers that
period of time, the figures are about those
into the separate reports?

A. They are.

Q. And for example, the first
report, which bears date February the 11th, does
indicate - cover the activities of Constantin Dovgal
on February the 5th, February the 7th, and
February the 9th?

A. That is correct.

Q. And so on. Each of the two

reports covers a number of days during the entire period?

A. That is true.

Q. Now, how were these reports handled when they were - who were they submitted to, by Scott?

A. Scott handed them to his immediate superior, Sergeant Anderson, who in turn conveyed them to the Assistant-Commissioner, who conveyed them to me, and that practice continued until the ninth report.

Q. Now, just till we get the date of the ninth report. The ninth report is dated May 23rd, 1960?

A. That is correct.

Q. Yes. Now, what change in the procedure occurred when the ninth report came in?

A. Owing to the absence from the City of the Assistant-Commissioner, Sergeant Anderson delivered this report to my office by himself.

THE COMMISSIONER: May 3rd, is it?

A. May 23rd is the date of the ninth report.

MR. WILSON: I believe that all the - -

THE COMMISSIONER: Wait. Wait till I see.

MR. WILSON: Sorry.

THE COMMISSIONER: May 23rd.

MR. WILSON: May 23rd, at the top of the page. It covers a period starting May 11th, and runs through to May 20th.

(Page 1182 follows)

DD

THE COMMISSIONER: On that ninth report, is it?

MR. WILSON: This is the ninth report.

THE COMMISSIONER: What were you about to say?

MR. WILSON: Q. I notice that on reports one to eight inclusive there is an initial on each of those reports which looks like "W.H.K.", am I right?

A. That is correct, sir.

Q. Whose initials are those?

A. Assistant Commissioner Kennedy.

Q. But we do not find those initials on the ninth report?

A. No, you do not.

Q. Or the tenth report?

A. No, you do not.

Q. Or on the -- yes, we do find the initials on the report of May 31st, 1960?

A. That is correct.

Q. What is the explanation for the initials not appearing on the ninth and tenth reports?

A. The Assistant Commissioner, that is, Kennedy, was absent from the City on the occasions when these reports were brought to me by Staff Sergeant Anderson.

Q. I notice as of March 2nd, 1960, it is a notation on the last page of the third report, there is a receipt for $400

THE CHAIRMAN: Is this same

report, is it?

MR. MILLER: This is the same report.

THE CHAIRMAN: What were you

about to say?

MR. MILLER: Q. I notice that on

reverse one to eight inclusive there is

an initial on each of those reports which

looks like "S.W.M.", do I suppose?

A. That is correct, sir.

Q. Whose initials are those?

A. Assistant Commissioner Kennedy.

Q. But we do not find those

initials on the ninth report?

A. No, you do not.

Q. Is the ninth signed?

A. No, you do not.

Q. Or on the -- yes, we do find

the initials on the report of May 22nd, 1947?

A. That is correct.

Q. What is the explanation for

the initials not appearing on the ninth

and tenth reports?

A. The Assistant Commissioner,

that is, Kennedy, was absent from the

City on the occasions when these reports

were brought to me by Chief Sergeant A. Jones.

Q. I notice as of March 2nd, 1948,

it is a notation on the last page of the

signed report, there is a receipt for $100

having been received by W.H.Kennedy from Provincial Constable George Scott?

A. That is correct.

Q. And then we have another receipt on the last page of the fourth report under dated of March 17th, 1960 from W. H. Kennedy to George Scott for $11?

A. That is correct, sir.

Q. And onthe last page of the fifth report there is a receipt dated April 1st, 1960 from W. H. Kennedy to George Scott for $202?

A. That is correct, sir.

Q. And on a page which is attached to the seventh report there is a similar receipt from W. H. Kennedy to George Scott for $400?

A. That is correct, sir.

Q. Those receipts cover payments which, based on those reports, were moneys paid by Wright to Scott?

A. That is correct.

Q. And in turn he paid that money over to Assistant Commissioner Kennedy?

A. Yes.

THE COMMISSIONER: What was the last amount and the date?

MR. WILSON: The last was on the ~~sxxxxx~~ seventh report.

Among those invoiced by V.R.Clark from Greyhound, Saskatoon during August

A. That is correct.

Q. And then on into October

remarks on the last page of the Purvis report under date of March 17th, 1950 from R. E. Bowman to George Dodd for $1?

A. That is correct, sir.

Q. And again last page of the Fitch report there is a receipt dated April 1st, 1950 from W. H. Kennedy to Geo.Dodd for $1?

A. That is correct, sir.

Q. And on a page which is attached to the Kennedy report there is a similar receipt from W. H. Kennedy to George Dodd for $1?

A. That is correct, sir.

Q. These receipts were apparently issued in some fraudulent way. Were paid by mistake to Kennedy?

A. That is correct.

Q. And in case, he paid back money

to Greyhound Transportation Company?

A. Yes.

THE CONSTABLE: Which was the last

document you had?

Q. Although the last was on the Kennedy

THE COMMISSIONER: These are not paged or numbered, I cannot tell. What was the last and the date?

MR. WILSON: May 1st, 1960 was the date of the seventh report.

THE COMMISSIONER: How much?

MR. WILSON: That was for $400.

THE WITNESS: April 27th, if I may --

MR. WILSON: The receipt thereis date April 27th, 1960.

THE COMMISSIONER: That is a thousand and thirteen dollars, is that right?

A. That is correct, my lord.

MR. WILSON: Q. That is correct. Now, you have the original reports that we have just been discussing?

A. I have.

MR. WILSON: We will have that filed as Exhibit No. 61.

---- EXHIBIT NO. 61: Ten original reports of Constable Scott.

MR. WILSON: Q. During the period covered by these Scott reports, was there any other person in the Anti-Gambling Branch who was undertaking any under-cover work on behalf of the Force?

A. No, sir, there was not.

[illegible] Cross-examination

[illegible] 2 August 1821.Cont. [illegible]

[illegible] 1441 and the state.

Mr. Fitzhugh: May Ser, 1820 [illegible]

the [illegible] of the [illegible].

Cross-examination. Mr. Wright

Q. Witness: Have you the [illegible].

Yes Witness: Yes, it I may —

Q. Witness: The [illegible] Quarrels

Mine [illegible] 1820, 1822.

Cross-examination. Mr. Ia.

Shannon and Kingston collieries, is that

correct?

A. That is correct, Mr Lord.

Q. Witness: Q. Then is correct.

Now, you have the [illegible] report with

to have just been discussed?

A. I have.

Q. Witness: Is this your [illegible]

in Exhibit No. 61.

---- Exhibit No. 61: The original report of Cornish in [illegible].

Mr. Fitzhugh: Q. Having [illegible]

[illegible] Lord [illegible], [illegible]

any other person in the Ann-Dudley Branch

[illegible] of the [illegible]

Q. No, sir, [illegible] was [illegible].

Q. And when, for the first time, was there any discussion about what action should be taken against Constable R. J. Wright by reason of the facts disclosed in these reports?

A. There was no discussion at that ~~time~~. time.

Q. No, no, but I say when was the first discussion as to what action should be taken?

A. On May 11th, 1960.

Q. And who were present at the conference or discussion in that regard?

A. Myself - at least, the Deputy Attorney General, W. B. Common, and myself and, later, the Hon. Attorney General.

Q. Now, up to from February 5th or 6th when you first had knowledge of this activity of Scott's and down to May 11th, what information had been given to either the Attorney General or the Deputy Attorney General about the Scott activity?

A. On the date of the first payment by Wright to Scott and Scott through the Assistant Commissioner, through the

(Page 1186 follows)

Q. And when, for the first time, was

be taken against Constable R. J. Wright by reason

of the facts disclosed in these reports?

A. There was no discussion at that time.

time.

Q. No, no, but I say when was the

first discussion as to what action should be

taken?

A. On May 11th, 1960.

Q. And who were present at the

conference or discussion in that regard?

A. Myself - at least, the Deputy

and, later, the Hon. Attorney General.

Q. Now, up to from February 5th

or 6th when you first had knowledge of this

activity of Scott's and down to May 11th,

what information had been given to either the

General about the Scott activity?

A. On the date of the first payment

by Wright to Scott and Scott through the

Assistant Commissioner, through the

(Page 1186 follows)

Staff Sergeant and to the Assistant Commisioner to myself, which I think was May ---

Q. March ---

A. March 2nd.

THE COMMISSIONER: Then you mean March 2nd?

A. I received the report.

Q. The receipt is on March 2nd.

A. So it would be the following day that I had the first discussion with the Deputy Attorney General.

MR. WILSON: Q. And at that time I take it informed him of Scott's work?

A. That is correct.

Q. What he was doing, and from that time on ---

A. I may say, Mr. Wilson, that after discussing it with the Deputy Attorney General, both he and I went into the Minister's office and advised him (the Minister) what had developed from the 8th day of May until the 3rd day of March.

Q. So that as of around the 3rd March, 1960, both the Attorney General and the Deputy Attorney General knew what was going on?

A. That is right.

Q. You said that on May 11th there was a discussion between yourself and the Deputy Attorney General about what action

should be taken against Wright and that later that day or the same day the two of you saw the Attorney General?

A. It was immediately following a discussion that we went into the Minister's office.

Q. I see, right at the same time?

A. Correct.

Q. And what decision was arrived at between the three of you on May 11th, 1960?

A. The decision was that Wright should be charged.

Q. Whose decision was that?

MR. MacKINNON: What date is this?

THE WITNESS: May 11th. That decision came from the Minister himself.

MR. WILSON: Q. And did he give his reasons for giving such instructions on that date?

A. During the discussion and while he was being appraised of the fact that bribery money in the sum of ~~$1,000x13~~ $1,013 had been recovered, he mentioned the fact that in his opinion he did not think that my oath of office would permit me to carry on any further in this connection. I took it from that that he meant ---

THE COMMISSIONER: Just a moment. Yes?

A. I took from that comment that

he felt that I could not permit Wright on the one hand to act as a police officer while on the other hand was corrupt.

Q. You thought he meant, "I could not having regard to my oath"?

A. That is right, sir.

Q. Permit.

A. Permit Wright ---

Q. To carry on.

A. To carry on as a police officer on one hand ---

Q. And at the same time ---

A. At the same time being corrupt.

THE COMMISSIONER: Yes.

MR. WILSON: Q. Was any decision made at that meeting as to when the arrest was to take place?

A. Before leaving his office I informed both the Minister and the Deputy Minister that I would continue to let Wright carry on until the end of the month.

Q. That would be the end of May, 1960?

A. That is correct.

Q. Now, did you, in anticipation of the arrest of Wright at the end of the month assign any particular officer for special duty?

A. I did.

Q. In that connection. Who was that?

A. On the 21st day of May I called

Inspector Graham into the office and in the presence of the Assistant Commissioner briefed him on what had taken place up to that date. I also informed him that he would later lay a charge, obtain a warrant and effect the apprehension of Wright. On the 27th ---

THE COMMISSIONER: Just a moment.

A. I am sorry, my lord. On the 27th day of May Inspector Graham laid an information charging Wright with an offense under Section 101(b) of the Code. The warrant was issued, and on May 28th, the following day, Saturday, Wright was apprehended in Belleville.

MR. WILSON: Q. What was the reason for postponing the arrest of Wright from May 11th, 1960 to the end of that month?

A. I made that decision, Mr. Wilson.

Q. What was the reason behind that decision?

A. I expected that towards the end of that month Wright would make another payment to Scott which would be of additional evidence value.

Q. Now, am I right in saying that the reports as they came in were turned over to theDeputy Attorney General?

A. No, they were not.

Q. They were not?

[illegible]

[illegible]

[illegible]

A. No.

Q. Then did the reports get out of your possession at all after they came to you?

A. No, they did not.

Q. There were no copies made of them at that time?

A. There were not.

Q. And so the only knowledge the Attorney General and the Deputy had as of May 11th, 1960 was what was going on?

A. Was being --

Q. I am sorry, not May 11th, March 3rd, I think it was?

A. Was a verbal explanation by me.

Q. Then between March 3rd and May 11th when the decision was made to arrest Wright, was the Deputy or the Attorney General kept informed of developments?

A. Periodically I kept the Deputy Attorney General advised as to what was going on.

THE COMMISSIONER: You were asked about the reports and I did not get the answer.

MR. WILSON: I am sorry.

THE COMMISSIONER: You were asked if the reports had remained in your possession until when?

A. Until 27th -- or 27th May, 1960.

MR. WILSON: Q. And am I right, based on the dates of the reports, in saying that it was not until the ninth report which is dated May 23rd, 1950, that any mention was made of any member of the senior personnel of the legal branch of the Attorney General's department?

A. That is correct.

Q. And that the first mention in that ninth report of May 23rd appears under the date of May 13th?

A. That is correct.

Q. But in fact that information did not come to you until on or about May 23rd?

A. Or 24th.

Q. Or 24th.

A. The day following the date of the report.

THE COMMISSIONER: And what date does it appear on there?

MR. WILSON: It appears in the ninth report.

THE COMMISSIONER: Yes, I know that, but what date?

MR. WILSON: May 13th.

THE COMMISSIONER: You would get that when?

A. The day following, my lord.

MR. WILSON: Q. The day following the

report?

A. That is correct, the day following.

MR. WILSON: I think the Commissioner wants to get clearly ---

THE COMMISSIONER: The first mention in Scott's reports of anyone in the Attorney General's department was in the ninth report, under date -- that report is dated May 13th, is that right?

MR. WILSON: The report is dated May 23rd and the entry -- it is the ninth report.

THE COMMISSIONER: Wait till I get it. If this was paged it would be very helpful. I see, it is the ninth report and the date Friday, May -- as to the events on Friday, May 13th.

MR. WILSON: The notation for May 13th in the ninth report.

THE COMMISSIONER: That is what I say, it is a report of -- well, it is dated May 13th anyhow, Friday.

DD2 MR. WILSON: Q. All I want to be clear about is that that report did not come to the witness until May 23rd or May 24th.

THE COMMISSIONER: All right, just a moment. Yes?

MR. WILSON: Q. After you received the ninth report with this reference to a member of the senior legal personnel of the Attorney General's department, did you inform that

XXXXX person of the statement appearing under date of May 13th, and also a statement in respect of the same person under date of May 17, also forming a part of that same ninth report?

A. I did.

Q. As soon as it came to your attention?

A. If I got the report in the morning, I saw that person in the afternoon.

Q. And what did that person say to you about the reference to himself?

A. As I recall the event, I read it to him and he stated it was a scandalous untruth or words similar to that. I think those were the words.

MR. WILSON: Mr. Commissioner, it is four o'clock.

THE COMMISSIONER: Yes, we will rise. Have you marked these reports?

--- The hearing adjourned at 4.00 P.M. until 10.00 A.M., Monday, April 2nd, 1962.

IN THE SUPREME COURT OF ONTARIO

BETWEEN:

KENNETH H. BROWN and JAMES T. GOW, Trustees, on behalf of themselves and all other Shareholders of Beleggings-Societeit, N.V., and the said BELEGGINGS-SOCIETEIT, N.V., as represented by the said Kenneth H. Brown and James T. Gow,

Plaintiffs,

- and -

BELEGGINGS-SOCIETEIT, N.V., as represented by W.H.J. de Boer and J.C.W.M. Huijsmans,

Defendants.

TRANSCRIPT OF ARGUMENT ON APPEAL

Date

Pages

Supreme Court Reporters
145 Yonge Street
TORONTO

Vol: 7.

CRIME COMMISSION

Monday, April 2nd
1962

pp 1194 - 1506

IN THE SUPREME COURT OF ONTARIO

BETWEEN:

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TRANSCRIPT OF ARGUMENT ON APPEAL

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145 Yonge Street
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Ex. No.	Page No.	Description
62	1223	Letter dated January 27, 1954 from J.Sedgwick, Q.C. To Commissioner Ontario Provincial Police; and copy of letter dated January 27, 1954 from J.Sedgwick Q.C., to C.R.Magone,Q.C., Deputy Attorney General.
63	1225	Memorandum dated February 3,1954 from Commissioner McNeill to Sergeant C.Von Zuben.
64	1227	Memorandum bearing receipt stamp February 23, 1955 from W.B.Common Q.C. to E.V.McNeill.
65	1229	Letter dated March 1, 1956 from Honourable Mr. Garson, Minister of Justice and Attorney-General of Canada, to Honourable J.Kelso Roberts, Q.C.
66	1236	Memorandum dated March 5, 1956 from Commissioner of Police for Ontario to Attorney General; Report dated March 5, 1956 from Sergeant Anderson to E.V.McNeill; and memorandum dated March 6, 1956 from Commissioner of Police for Ontario to Attorney-General.
67	1239	Letter dated March 6, 1956, from Attorney-General to Honourable Stuart Garson.
68	1244	Letter, dated March 21st,1956 from Honourable S.Garson, Minister of Justice and Attorney General of Canada, to Honourable J.Kelso Roberts, Q.C., Attorney-General of Ontario.
69	1245	Sergeant Anderson's 1956 Diary.
70	1247	Letter dated March 25, 1957 from W.J.Scott Fire Marshal,to Commissioner E.V.McNeill.
71	1253	Memorandum marked "Strictly Confidential" dated March 29, 1957, from E.V.McNeill Commissioner of Police to Attorney-General.

No.	Page No.	Description
[illegible]	[illegible]	Letter dated January 27, 1954, from A.Deslauriers, Q.C. to Commissioner Ontario Provincial Police; acknowledgment of letter dated January 27, 1954 from A.Deslauriers Q.C., to R.E.Hodgins,Q.C., Deputy Attorney General.
[illegible]	[illegible]	Memorandum dated February 5,1954 from Commissioner Ontario to Department C.Jim Baker.
[illegible]	[illegible]	Memorandum covering receipt every Monday February 22, 1954 from W.B.Common Q.C. to E.V.McWatt.
[illegible]	[illegible]	Letter dated March 1, 1954 from Commissioner Ontario Provincial Police to Deputy Attorney General of Canada, to Commissioner R.E.Wolfe Kingsley, Q.C.
[illegible]	[illegible]	Memorandum dated March 2, 1954 from Commissioner of Police for Ontario to Attorney-General.
[illegible]	[illegible]	Letter dated March 4, 1954, from Attorney-General to Commissioner Provincial Police.
[illegible]	[illegible]	Letter, dated March 23rd,1954 from Industrial Commissioner Ontario, Minister of Justice and Attorney General of Ontario, to Commissioner O.Jaine Edwards, R.C.M.P., Attorney-General of Canada.
[illegible]	[illegible]	Attorney General's Legal Diary.
[illegible]	[illegible]	Letter dated March 25, 1954 from A.J.Mundell Fire Commissioner, to Commissioner O.Y.Mewatt.
[illegible]	[illegible]	Memorandum entitled "Criminal Conspiracy" dated March 25, 1954, from S.V.Mewatt Commissioner of Police to Attorney-General.

INDEX TO EXHIBITS

Ex. No.	Page No.	Description
72	1256	Memorandum marked "Strictly Confidential" dated April 5th, 1957, from Commissioner McNeill to Attorney -General.
73	1259	Memorandum dated April 12, 1957, from Commissioner McNeill to Attorney-General.
74	1277	Letter from Commissioner of Police for Ontario to the honourable the Attorney General, dated May 10th, 1957.
75	1280	Memorandum to the Deputy Attorney General from Commissioner of Police for Ontario, dated June 5th, 1957.
76	1281	Memorandum to District Inspector E.J.Hand from Commissioner of Police for Ontario, dated July 12, 1957.
77	1284	Memorandum from the Assistant Commissioner to the Honourable the Attorney General, dated September 9th, 1957.
78	1285	Memorandum from Sergeant Anderson to Assistant Commissioner W.H.Kennedy, dated December 22nd, 1958.
79	1288	Memorandum to Commissioner McNeill from Staff Inspector Tomlinson dated November 29, 1954, with two attachments.
80	1297	Memorandum dated December 8, 1954 from Commissioner Mc Neill to Staff Inspector Tomlinson.
81	1299	Memorandum date December 9, 1954 from Commissioner McNeill to the Deputy Attorney General.
82	1312	Statement by Mr.E.Victor McNeill Box 384, Peterborough, Ontario, dated May 24th, 1961.
83	1321	Sergeant Anderson's Diary for 1959.

No.	Page No.	Description
79	[illegible]	Memorandum entitled "Criminal Conspiracy" dated April 2nd, 1957, from Deputy-Commissioner Kenyatta to Attorney-General.
78	[illegible]	Memorandum dated April 12, 1957, from Kwadwo Omer Kwapong to Attorney-General.
77	[illegible]	Letter from Inspector-General of Police for Minister for Internal Security and Attorney-General, dated May 1st, 1957.
76	1,280	Memorandum by the Deputy Attorney-General from Commissioner of Police for Optanti, dated June 7th, 1957.
75	1,281	Memorandum by Minister Temporary T.J. Shaw from Commissioner of Police for Optanti, dated July 31, 1957.
77	1,284	Memorandum from the Director Constabulary to the Kenyatta the Attorney General, dated September 5th, 1957.
74	1,287	Memorandum from Sergeant Kimberley to Inspector-General of Police, dated October 8th, 1957.
73	1,289	Memorandum by Kwadwo Omer Kwapong to Minister Temporary Shaw, dated November 29, 1957, with two enclosures.
72	1,297	Telegram dated December 9, 1957 from Commissioner of Police to Acting Inspector-General.
71	[illegible]	Memorandum dated December 9, 1957 from Commissioner of Police to the Deputy Attorney General.
70	1,298	Statement by Mr.C.Pilliner Dunbar-Lox 3rd, Photographer, Criminal Bureau, dated May 27th, 1958.
69	1,301	Deputy Commissioner's Diary for 1957.

INDEX TO EXHIBITS

Ex. No.	Page No.	Description
84	1325	Memorandum prepared by Sergeant Anderson dated May 28, 1959.
85	1327	Report by Staff Inspector D.Y. Whiteley dated August 6,1959.
86	1486	Warrant to search Ramsay Club dated May 5, 1960.
87	1491	Notes of Interview with Cons. Lawrence, May 29, 1960
88	1491	Notes of Interview with Cons. Lamoria, May 30, 1960.

A/WJR/1

MONDAY, APRIL 2, 1962

---On resuming at 10.10 a.m.

MR. WILSON: Mr. Commissioner, I am calling Chief Justice Porter, if I may, at this juncture. The Chief Justice would have come earlier but for the fact he was sitting in Court, and his evidence will be very short.

CHIEF JUSTICE DANA PORTER, sworn,

EXAMINED BY MR. WILSON:

Q. During what year did you occupy the post of Attorney General of the Province of Ontario?

A. 1949 to 1955.

Q. And in November of 1954 did the taking into custody of certain persons at Cooksville or Brampton come to your attention in your capacity as Attorney General?

A. Yes.

Q. Under what circumstances did the matter come to your attention?

A. I arrived at the office in the morning at about 9.30 -- this is some time ago and it is difficult to recollect the exact

[illegible]

detail -- but I think it is approximately, as nearly as I can place it, I think it must have been some time around 10.00 or after 10.00 o'clock. I had a telephone call from Mr. Thomas Kennedy who was, I think, then a private Member of the Legislature. He resided in the area close to Cooksville. He said that he had had some messages about people who had been incarcerated and were held in custody as the result of a raid on a certain club, in or near Cooksville. He -- they wanted to know what it was all about, and he wondered if I could supply him with the information. So, I had not heard about it except I may have heard over the air or in some way there had been a raid, but I didn't know any particulars about it and I didn't know anything about the -- I hadn't any advance information about it; and so I spoke to the then Deputy Attorney General, Mr. Magone, and told him about this request and asked him whether he could find out what the situation was; why these men were being held in custody.

So some little time after that he returned and he told me about he had inquired and been informed that the men had been released from custody. They were men, apparently, who had been in the Club at the time of the raid, and they had been arrested and held in custody and had been questioned. Apparently the questioning had concluded at the time

Mr. Magone asked for the information.

Q. That is the extent of your knowledge of the incident?

A. Yes.

Q. Now, during the period that you were Attorney General who was the senior legal personnel in your Department?

A. Mr. Clifford Magone was the Deputy Attorney General and Mr. Common was the next senior official. I am not quite sure when he -- I think he was appointed Director of Criminal Prosecutions during that time and, at any rate, he was the second senior official during the whole period of my office.

Q. Now, during the period you held that office, did you have any knowledge of any improper relationships existing as between Mr. Magone and Mr. Common and any other person or persons involving the improper termination of investigations, the improper suppression of evidence or the improper payment of money?

A. None whatever.

Q. That is all, thank you.

THE COMMISSIONER: Are there any questions?

MR. MacKINNON: No questions.

THE COMMISSIONER: Are you representing Mr. Breuin?

MR. SCOTT: He is in the Court of Appeal this morning, your lordship.

I just have the one question.

EXAMINED BY MR. SCOTT:

Q. Did you receive any telephone calls from any one other than Colonel Kennedy?

A. No. No, and I spoke to nobody.

Q. That is all.

---The witness withdrew.

MR. WILSON: I will recall Commissioner Clark.

WILFRED HAMILTON CLARK, recalled.

EXAMINATION BY MR. WILSON, CONT'D

Q. Exhibit 61, the Scott report, the ninth report is dated May 23rd, 1960, and it contains a notation for Friday, May 20th, which is the last item there, following which there is this paragraph:

"At this point . . ."

THE COMMISSIONER: Excuse me a moment; would you put them all together so they will not be falling apart.

(page 1199 follows)

MR. WILSON: It is page 4 of the 9th report of the Commission.

THE COMMISSIONER: Dated what?

MR. WILSON: Well, the report ---

THE COMMISSIONER: The item is dated what?

MR. WILSON: The item is dated May 20th, - Friday, May 20th - and it is the last paragraph that I want to refer to.

THE COMMISSIONER: Yes.

MR. WILSON: Reading from the last paragraph;

"At this point of the investigation I "have arrived at a time when I am "actually counselling Lawrence and Lamorie "in their methods of taking bribes. I "feel that I am lending myself to further "incrimination of these two men, to say "nothing of P. C. Wright, and for this "reason I feel that I should with all "due respect be advised as to whether "or not criminal charges are to be "preferred."

Q. Now, was this comment by Constable George Scott a matter of discussion at that time?

A. Not by me it was not, no, sir.

Q. It was not?

A. No.

Q. And at that time, of course, a decision has already been arrived at----.

THE COMMISSIONER: Excuse, me a moment.

That was a matter of discussion.

MR. WILSON: I just wanted to fix the date. As I recall the Commissioner's evidence on Friday, he said the decision to arrest Wright, or to have Wright arrested, has been arrived at on May 11th?

A. That is correct the decision to lay or prefer charges was arrived at on May 11th.

Q. But the concern that Wright was expressing in his 9th report under date of May 23rd in regard to some action being taken against Wright was based on his ignorance of the decision, I take it, that had been arrived at?

A. Apparently so, sir, because he did not know what arrangements or what decisions had been arrived at.

Q. Following the receipt of the 10th report what steps were taken in respect to the disclosures in the reports affecting Constables Lawrence and Lamorie?

A. Following receipt of the 10th report?

Q. Yes.

THE COMMISSIONER: Can you identify the report by number?

A. The 10th one is the last one, my lord.

MR. WILSON: It is the last numbered one?

A. Yes, it is the last numbered one.

Q. There was one more dated May 31st?

A. Yes.

[illegible]

Q. Correct. I have written to the gas company, to Sheriff [illegible] (Vidal), to proof the [illegible] Estate, to be sure [illegible] has been arrived on my life?

A. That is correct. The decision to try to prove [illegible] was arrived at on May 14th.

Q. But the concern that motive was [illegible] in this [illegible] under oath of May 23rd in regards to some motive being taken against motive was based on the ignorance of the [illegible]. I have it, that [illegible]

A. Apparently so, sir, because he did not know [illegible] arrangements or what [illegible] was [illegible].

Q. Following the receipt of the 14th report [illegible] were taken in regards to the discrepancies in the reports affecting [illegible] [illegible]?

A. [illegible] [illegible] the time period.

Q. Yes.

[illegible] [illegible] the [illegible] reports by [illegible]?

A. The 14th one is the last one.

My lord.

MR. [illegible]: It is the last numbered [illegible]

A. Yes, it is the last numbered one.

Q. There was one date [illegible] May 23rd?

A. Yes.

Q. What steps were taken by you to deal with these allegations against Constables Lamorie and Lawrence?

A. Wright's apprehension took place on May 28th - Saturday, May 29th. On Sunday, May 29th, Lawrence was brought into Headquarters and questioned by myself in the presence of Assistant Commissioner Kennedy. Assistant Commissioner Kennedy made some longhand notes of that conversation, and as the result of the questioning by me, Lawrence was suspended from police duty.

THE COMMISSIONER: That day?

A. That day, my lord, yes.

MR. WILSON: That is Constable Lawrence?

A. Yes.

Q. What about Constable Lamorie?

A. On the following day----

THE COMMISSIONER: That would be Monday?

A. Monday, 30th May, my lord.

Q. Yes.

A. - Lamorie was called into the office and questioned by myself in the presence of the Assistant Commissioner. Again short longhand notes were taken, and he also was suspended.

MR. WILSON: We have had filed here Exhibit 36 the annual reports of the Ontario Provincial Police.

Q. Now, would you just tell us what the annual procedure is each year in that regard?

Q. Then things were going on you
so-and were then attempting events
(Commissioner and Company)

Q. Officially representing Ford
Motor Co. and Ford - Mercury, the Jones, Co.
Company, the Jones Commission was prepared into
negotiations and consultations by agents in the
presence of Anatolene Constantinou Kanuary.
Southern Construction Company also had frequent
meetings of that corporation, and as the result of
the meetings by me, Lawrence was suspended
from service duty.

THE CONSTABULARY: That day?

A. That day, my lord, yes.

MR. WILSON: That is Constable Constantinou?

A. Yes.

Q. That Good Constable Constantinou?

A. On the following day--

THE CONSTABULARY: That would be Monday?

A. Monday, 27th May, my lord.

Q. Yes.

A. - Lawrence was called into the
office and questioned by myself in the presence
of the Anatolene Constantinou. Again there
Lawrence also was there, and he also was
suspended.

MR. WILSON: We have had first hand
evidence in the earlier course of the criminal
proceedings.

Q. Now, would you please tell us what

A. The annual report is compiled and contains details for the previous year. For example, the report compiled in 1960 would deal with the activities of this force for the year 1959.

Q. Yes.

A. It is submitted to the Honourable Attorney-General and tabled in the Legislature.

Q. It becomes a public document when it is filed in the Legislature?

A. That is correct.

Q. And what is the relationship of the Ontario Provincial Police to the Attorney-General's Department?

A. If I may, with the permission of my lord, read the section of the Police Act, it will explain what our connection is with the Attorney-General's Department.

(The witness produces a document). May I read it, sir?

THE COMMISSIONER: Yes.

A. Thank you.

Q. What is the section?

A. It is Section 40(2) of the Police Act of Ontario, 1961, and I quote from subsection 2:

"The Commissioner has the general control "and administration of the Ontario "Provincial Police Force and the employees "connected therewith and of all offices

"specially appointed for the enforcement "of any statute of Ontario, and he and "all such officers and employees and the "Members of the Force are responsible "to the Attorney-General."

MR. WILSON: Now, from your experience as Commissioner of the Force from August 1st, 1958, how does it work out in practice? What is the extent of the supervision or regulation by the Attorney-General's Department of the operations of the Force?

A. Any policy determined by Government where it affects the Force would be relayed or conveyed to me through the Attorney-General's office, and I would carry that policy out.

B.2 Q. Now, during your period as Commissioner, what interference, if any, have you had from either the Attorney-General or the senior legal personnel of the Attorney-General's Department in the carrying out of your duties?

A. I have had no interference whatsoever.

Q. And what would you say as to the extent of the cooperation that you have received from those same individuals?

A. Excellent cooperation.

Q. Now, in particular, have you any knowledge of any interference by senior legal personnel in respect to any investigations or

or any attempts in an improper way to terminate investigations being carried on by your Force?

A. No, sir, I was never instructed or directed to discontinue any investigations during my tenure of office.

Q. And have you any knowledge of any attempt on the part of any senior legal personnel to in any way cause evidence to be suppressed in an improper way?

A. No, I have not.

Q. Or have you any knowledge of any improper payment of monies by anyone to the senior legal personnel of the Attorney-General's Department?

A. I have not, sir, except the contents of the Scott reports. That is the only knowledge I have.

Q. Did you agree with the decision of the Attorney-General on May 11th, 1960, to prosecute Constable Wright?

A. I did.

Q. Now, from time to time policy memorandums have passed back and forth, or do pass back and forth, between the Ontario Provincial Police and the Attorney-General's Department?

A. That is correct.

MR. WILSON: Now, I propose Mr. Commissioner, to put in evidence some of these documents, from 1954 to the present date.

or any attempts in an improper way to terminate investigations which matters of your jurisdiction.

A. No, sir, I was never instructed or directed to discontinue any investigations during my tenure of office.

Q. And have you any knowledge or any reason to use any of the Dominion Legal personnel in an improper way to discourage or hinder any investigations in an improper way?

A. No, I have not.

Q. Do have you any knowledge of any improper payment of monies by anyone to the senior legal personnel of the Attorney-General's department?

A. I have not, sir, except the contents of the Scott reports. That is the only knowledge I have.

Q. Did you agree with the decision of the Attorney-General on May 11th, 1954, to prosecute Gerald Grandin?

A. I did.

Q. Now, from time to time policy memorandums have passed back and forth, or do some back and forth, between the Provincial Police and the Attorney-General's Department?

A. That is correct.

MR. VILLAGE: Now, I propose Mr. Commissioner, to put in certain some of these documents from 1954 to the present date.

THE COMMISSIONER: Yes.

MR. WILSON: I do not say that they will be all the documents that passed between the Department and the Force, but I think that they are the more important ones, or most of the more important ones, and when the Officials of the Attorney-General's Department give evidence they will undoubtedly fill in any gaps that there may be in this particular evidence.

THE COMMISSIONER: Yes.

MR. WILSON: Now, the first document I want to show you is a letter dated January 27th, 1954, from Joseph Sedgwick, Q.C., addressed to the Commissioner of the Ontario Provincial Police, and he encloses a copy of a letter he has sent with it to the Deputy Attorney-General.

THE COMMISSIONER: Yes.

MR. WILSON: Attached to his letter is a copy of a letter dated January 27th, 1954, addressed to C. R. Magone, Q.C., Deputy Cttorney-General. That will be Exhibit----

THE REGISTRAR: Exhibit 62.

MR. WILSON: Give that to the Registrar and maybe we can follow this .

(The witness handed a document to the Registrar).

A. Thank you.

(The document handed to the witness).

Q. A copy of the enclosed letter---

THE COMMISSIONER: What number did you

MR. WILSON: I do not say that they will be all the documents that passed between the Government and the Crown, but I think that they are the more important ones, or most of the more important ones, and also the criticism of the Attorney-General's Department gives evidence that they will undoubtedly fill in any gaps there may be in this provincial evidence.

THE CHAIRMAN: Yes.

MR. WILSON: Now, the first document I would be seeking is a letter dated January 27th, 1921, from James Bellamy, K.C., addressed to the Commissioner of the Ontario Provincial Police, and he encloses a copy of a letter he had sent that day to the Deputy Attorney-General.

THE CHAIRMAN: Yes.

MR. WILSON: Attached to his letter is a copy of a letter dated January 27th, 1921, addressed to G. H. Ingram, K.C., Deputy Attorney-General. That will be Exhibit---

THE STENOGRAPHER: Exhibit 62.

MR. WILSON: Give that to the Registrar.

(The witness handed a document to the Secretary).

A. Thank you.

(The document handed to the witness).

Q. A copy of the enclosed letter---

say that was?

THE REGISTRAR: It is Exhibit 62, sir.

THE COMMISSIONER: It is a letter dated January 27th, 1957?

A. 1954, my lord.

Q. Yes, to you?

A. No, not to me.

Q. Well, to the Commissioner?

A. Yes, to the Commissioner.

Q. And a copy of the letter, also dated January 27th, 1954, to Mr. Magone. Yes.

MR. WILSON: I would like to read the copy of Mr. Sedgwick's letter to Mr. Magone dated January 27th, 1954:

"My dear Mr. Magone: I have been "consulted by officers of the Alpha Club "Limited, which as you may know, has its "club premises on the Centre Road near "Cooksville in the County of Peel. "The matter that I wish to complain about "is the conduct of the Provincial Police "over the last year or so; as I am informed "that at least lately the police have been "acting under your direction, or at least "with your approval, I thought I should "bring the matter to your attention in the "first instance. The facts as they are told "to me are:-

(Page 1220 follows)

any than now?

MRS. MOTHERSHAW: It is Possibly so, sir.

THE CHAIRMAN: It is a letter dated January 27th, 1927:

A. 1927, no less.

Q. Yes, so you?

A. No, not to me.

Q. Well, go ahead.

A. Yes, to the Secretary.

Q. And a copy of the letter, also dated January 27th, 1924, to Mr. Rogers. Yes.

MR. GLOVER: I would like to read the copy of Mr. Hodgsonie's letter to Mr. Rogers dated January 27th, 1924:

"My dear Mr. Rogers: I have been "consulted by officers of the Alcohol Dis "tillery, which as you may know, has its "wine permits on the Bonnie Land near "Wheatville in the County of Kent.

"The matter upon I wish to complain about "is the conduct of the Provincial Police "over the last year or so, as I am informed "that as lately the police have been "working under your direction, or at least "with your approval, I thought I should "bring the matter to your attention in the "first instance. The facts as they are only "to me are:-

(Page 1200 follows)

MR WILSON: (Continuing)

"1. The club was incorporated by "Dominion Charter dated October 7, 1924, as a "a non-profit and recreational club.

"2. In June 1952 one Lafrade, who was "the secretary-treasurer and steward of the "club, was prosecuted for keeping a "common gaming house on the club "premises; he was convicted by Magistrate "Moorehead in Brampton and the matter "was then taken to appeal and the "conviction was quashed. You will find "the case reported as Regina v.Lafrade "in 105 C.C.C. 5.

"3. Since the final disposition of "the proceedings against Lafrade the "Provincial Police have constantly "harassed the club and its members. "On about twelve occasions during the past "year or so they have raided the club, "and each time they did not seek entrance "by knocking or ringing the bell, or "making any other enquiries, but they "promptly proceeded to break down the "door although I am told that on no "occasion was any resistance offered "to them. I probably need not tell "you that no charges were laid follow- "ing any of these raids, nor have the "police ever offered to repair the "damage done in breaking in, or to

"defray the cost thereof. On one of
"the raids the police seized all the
"records of the club, held them for
"a couple of days, and then returned
"them without explanation or apology.
"4. About a month ago two members of
"the Provincial Police Force entered the
"premises of the club at some time
"during the day when the place was
"unattended. I am informed that
"they took a screen off one of the
"windows, removed the window, and
"having effected an entrance in that
"way they replaced the window and the
"screen and went to the upper floor
"of the club where they were discovered
"that evening ensconced with sleeping
"bags, a small cooking stove, provisions,
"some kind of recording apparatus and
"what I believe is called a walkie-
"talkie which, I understand, is a short
"wave radio apparatus which would per-
"mit them to keep in touch with their
"headquarters. When they were dis-
"covered the officials of the club
"thought that they were miscreants
"up to no good (they were in plain
"clothes) and called the Cooksville
"Police to have them arrested. It
"was only after the arrival of the

"Cooksville Police that the identity
"of the officers was established.
"5. Since the incident mentioned in
"paragraph 4, the police have adopted new
"tactics; every night for the past two
"or three weeks two policemen have
"appeared on the club premises as soon
"as the first members arrive. One of
"the policemen sits at the door equip-
"ped with a large foolscap pad on which
"he records the name of every person
"entering; the other policeman circulates
"through the club premises watching the
"members and their guests; both police-
"men stay on the premises until the
"members depart and the club closes.
"Club officials have complained to
"the police about this inordinate at-
"tention and have been told by Sergeant
"Van Zuben and other officers (whose
"names I do not know) that the police
"propose to continue in this way
"indefinitely.
" It is not for me to say whether
"police officers should behave in this
"manner but I am at least permitted
"to doubt the propriety of their
"conduct and if they continue I propose
"to test the matter in the Courts.

"Commerville tells that the Commission
"of the officers was established.

"Since the incident mentioned in
"paragraph 4, the police have observed the
"strictly common rules for the very be
"have been the gentlemen
"[illegible] on the line protecting on, since
"the time's reports our town. One of
"the policemen sits at the door dispen-
"ser with a large Tuscaroo pad on which
"the [illegible] are those of every person
"entering; the other policemen circulates
"through the club premises watching the
"[illegible] and their guests. Both patro-
"men are, on the premises until the
"members depart and the club closes.

"The private [illegible] provisions in
"the police-board [illegible] ex-
"tention are here [illegible] by Sergeants
"Van Zuren and other officers (whose
"names I do not know) that the police
"[illegible] to conditions in this [illegible]
"[illegible].

" It is not for me to say whether
"police officers should [illegible] in this
"manner but I am [illegible] [illegible]
"to [illegible] the proprietors of every
"[illegible] and if [illegible] conditions I propose
"to [illegible] the matter in the Supreme.

" My information that the police are
"acting under your orders may be erroneous
"and I am therefore sending a copy of this
"letter to the Commissioner, who will
"no doubt be in touch with you.
" This matter is a source of
"constant embarrassment to the officials
"and members of the club and I should be
"obliged if you would let me know by
"return mail whether or not the police
"are willing to give an undertaking
"to desist from the practices
"complained of. Unless I have such an
"undertaking I propose to take
"proceedings promptly."

Now, that of course was during the regime of your predecessor who is deceased?

A. That is correct.

THE COMMISSIONAR: Is this copy you have handed me to be the exhibit?

MR. WILSON: No, my lord, the copy I was reading from, is. I am sorry; it is this one. (producing) I am trying to give the Registrar the original in each case.

---EXHIBIT NO. 62: Letter, dated January 27,1954, from J.Sedgwick, Q.C. to Commissioner, Ontario Provincial Police; and copy of letter dated January 27,1954, from J.Sedgwick Q.C. to C.R.Magone, Q.C., Deputy Attorney General.

"My instruction that the police are
"acting under your orders you may communicate
"and I am therefore sending a copy of your
"letter to the Commissioner, who will
"no doubt be in touch with you.

" This matter is a source of
"considerable embarrassment to the officials
"and members of the club and I should be
"obliged if you would let me know if
"return mail whether or not the police
"are willing to give an undertaking
"to desist from the prosecution
"complained of. Unless I hear from you
"undertaking I propose to issue
"proceedings immediately."

Now, that of course was during the
reign of your predecessor but he commanded
A. That is correct.

Do understand! Is that from the
same message as to be the candidate?

Q. Without. No, no. Not, but when I
was reading from, Ia. I am sorry; it is in black
one. (Pause.) I am trying to give the
beginning the original in each case.

Letter, Acting Commissioner of Police, Fern Gardens, C.C. to Commissioner, Saville Provincial Police; and copy of letter dated January 27, 1934, from G.Sangster G.C. to C.A.Sangster, O.C., Saville Attorney General.

MR. WILSON: The next document I produce from your files is a copy of a memorandum dated February 3rd, 1954, from Commissioner McNeill, to Sergeant C.VonZuben, Anti-Gambling Branch, Ontario Provincial Police:

"Re: Alfa Club - Toronto Township.

" Confirming our conversation "in my office on the afternoon of "Friday, January 29, 1954, this "is to advise you that commencing February "1st, 1954, you and the personnel of the "Anti-Gambling Branch will discontinue "the nightly searches at the Alfa "Club in the Township of Toronto.

" It is understood that you "personally interviewed Mr. C.R.Magone, "Deputy Attorney General on the "afternoon of January 29, 1954 "when the above instructions were "confirmed, owing to the fact that it "was felt that to continue such "nightly searches of the Alfa Club might "not be interpreted as justified and "leave the Department liable to "criticism.

" This ruling does not however "lessen the importance of maintaining "close observation on the Alfa Club "and other similar establishments "throughout the Province and if

"developments occur which in your "opinion justify a search or other "comparable action, you should take "whatever steps are considered "justified and as the circumstances "warrant.

" You will please acknowledge "receipt of these instructions."

---EXHIBIT NO.63: Memorandum dated February 3, 1954, from Commissioner McNeill to Sergeant C.VonZuben.

MR. WILSON: On the evidence to date, early in January, 1954, there had been 18 search warrants executed at these premises.

Now, the next document I produce is a memorandumwhich was received - - the only date on the document is the receipt stamp which reads: "Director, Ontario Police College, February 23, 1955". It is a memorandum from W.B.Common to Commissioner McNeill.

I am sorry; there was one document which, in order of date, should have gone in before I read this last one. If I may refer now to a letter of February 5th, 1954, from Sergeant Von Zuben to Commissioner McNeill simply acknowledging receipt o_f the instructions contained in Exhibit 63.

THE COMMISSIONER: Why don't you just attach it to that exhibit # 63?

MR. WILSON: Very well. Attached to Exhibit 63 will be that memorandum.

Coming back to this document which bears the receipt date of February 23, 1955, from W.B.Common to Commissioner McNeill, which will be Exhibit 64, this is headed: "Re: Middle Road Unit - Army,Navy and Air Force Veterans of Canada", and it reads as follows:

"I attach hereto a communication
"I have received in connection with
"the above premises.
" Would you be good enough to
"let me have a complete report in
"this matter at your convenience.
" I believe Mr. Magone suggested
"some time ago that some members of the
"Force make application for membership
"in this organization, and to state that
"they were members of the Ontario
"Provincial Police force. You might
"advise me whether this has been done."
"W.B.Common."

THE COMMISSIONER: Where is the communication that was attached?

MR. WILSON: We do not have that. Apparently we have not been able to find it. Maybe if we can, we will attach it. I understand it was a complaint, Mr. Commissioner. There were numerous complaints and I thought later I

could put these complaints together in chronological order rather than trying to deal with them at this particular stage.

At this particular date, to get the chronology of the events, the correspondence that passed between the Deputy Provincial Secretary Mr. Cudney, and Mr. O'Mara at Ottawa, which was referred to in evidence by Mr. Cudney, took place. That is the last of the documents for 1955.

---EXHIBIT NO. 64: Memorandum, bearing receipt stamp February 23, 1955, from W.B.Common,Q.C. to E.V.McNeill.

I come next to a letter of the Honourable Mr. Garson, the Minister of Justice and Attorney General of Canada to the Honourable J.Kelso Roberts, Q.C., dated March 1, 1956. I have no copies of this document.

THE COMMISSIONER: Read it.

MR. WILSON:

"Dear Mr. Roberts,

" I enclose herewith a copy of "a news item which appeared on the front "page of this morning's Globe and Mail. "A question has been raised in the "House of Commons:

" 'I should like to direct a " 'question to the Minister of " 'Justice in view of the report " ' on the front page of this

could put those complaints together in chronological order rather than [illegible] to deal with them at this particular stage.

As this particular date, to get the [illegible] of the [illegible], the [illegible] [illegible] Lafleur the Deputy Commissioner Brewster, Mr. Gordon, Mr. O'Connor as Counsel, which was required to be evidence by Mr. Gordon, that plan, that is the best of the knowledge [illegible].

[illegible] Commission, hearing resumed [illegible] January 20, 1966.
The Commission, on [illegible].

I come back to a letter of the Commission [illegible]. Letters, the Minister of Justice and Attorney General of Canada to the Commissioner Lafleur [illegible] dated March 1, 1966. I have no copies of this document.

The Commissioner: Read it.

Mr. Gordon:

Just so, Commissioner.

" I enclose herewith a copy of
"a news item which appeared on the front
"page of this morning's Globe and Mail.
" A question has been raised in the
"House of Commons
" I would like to submit a
"question to the Minister of
"Justice in view of the dangers
" on the front page of this

" ' morning's Globe and Mail
" 'to the effect that certain
" 'illegal gambling activities
" 'in Ontario are protected by
" 'federal charter. Has the
" 'Minister any comment to make?'
" Would it be possible for you to
"inform me upon what basis Ontario
"Provincial Police Commissioner E.Y.
"McNeill contends that known gambling
"houses are operating despite every
"attempt to establish a conviction
"because federal charters protect them.
"I myself cannot see how a federal
"charter, which does not authorize
"illegal acts could protect a person
"who is committing illegal acts".

MR. MacKINNON: Mr. Commissioner, has this witness received this letter? Is this a copy sent to this witness?

THE COMMISSIONER: I don't know, Mr. MacKinnon. Just be patient. We will find out.

MR. WILSON: The reason I introduced this is that there is a reference in documents passing between the Attorney General's Department and the Ontario Provincial Police referrring to the negotiations, if we might call them that, that were going on between the Attorney General and the Minister of Justice looking forward to a

possible change in the law applicable to these clubs which were carrying on in Ontario and which were giving trouble to the Ontario Provincial Police.

In order to have the record cover the point that I have just mentioned, I refer to a memorandum of March 5th, 1956, from Commissioner McNeill to the Attorney General re clubs operating in Ontario under federal charters. I am producing there the copy of that memorandum fromthe Ontario Provincial Police files.

---EXHIBIT NO. 65: Letter, dated March 1,1956, from Honourable Mr.Garson, Minister of Justice and Attorney General of Canada, to Honourable J.Kelso Roberts,Q.C.

THE COMMISSIONER: This memorandum, dated March 5, 1956, will be Exhibit 66.

MR. WILSON: I would like to read that memorandum, EExhibit 66.

"Re: Clubs Operating in Ontario under "Federal Charters.

" With reference to the letter "addressed to you by the Honourable "the Minister of Justice and Attorney- "General of Canada, dated March 1st, in "connection with the marginally captioned "subject, I have the honour to attach "hereto a report submitted by Sergeant "J.M.Anderson, in charge of the Anti-

"Gambling Branch of the Ontario
"Provincial Police."

Possibly we can make that report a part of this exhibit, and I will read it in a moment.

" Sergeant Andersen's report
"deals with the three Clubs which were in
"possession of Federal charters, and believed
"to be operating a Common Gaming House.
" A Club in possession of a charter,
"either Federal, or Provincial, is
"granted certain exemptions under the
"provisions of Section 168 (2)
"of the Criminal Code, in that the possession
"of gambling paraphernalia is not
"prima facie evidence that the club
"is operated as a Common Gaming House.
" The present policy of the
"Honourable, the Ontario Provincial
"Secretary in connection with the
"issuing of charters is as follows:
"the charter is issued to and for a
"specific location and contains a
"clause which prevents the club, or
"person in possession of the charter from
"barricading the premises in such a
"manner as to prevent easy access
"by police officers. Where charters
"have been issued by the Ontario Provincial

"Secretary, and the premises have been
"barricaded, the charter has been
"cancelled.
" Before any charter is issued by
"the Ontario Provincial Secretary, the
"Ontario Provincial Police are requested
"to make an investigation as to
"the character and reputation of
"the directors of the club.
" A charter issued by the
"Federal authorities does not contain
"any of the restrictions set out in
"the foregoing; A Federal charter
"is not issued for any specific location;
"the club in possession of such a
"charter is permitted to barricade the
"premises, floodlight the parking area,
"post lock-outs, thereby rendering
"it impossible for police officers
"to gain access to the room in which
"illegal gambling takes place, and
"rendering it almost impossible to secure
"evidence that would support charges of
"keeping a Common Gaming House.
" Respectfully submitted,
"Commissioner of Police for Ontario."

THE COMMISSIONER: Are you going to attach Anderson's report to that?

MR.WILSON: Yes. Anderson's report to

Commissioner McNeill is dated March 5th, 1956.

"Re: Clubs operating in Province of
"Ontario under Federal Charters -
"Toronto Twp., Bertie Twp., and
"Twp. of Sandwich, South.

" Once a Club Charter has been
"granted, either Federal or Provincial
"it has been my experience dealing with
"the enforcement of the law in relation to the
"the operation of 'A Common Gaming
"House' that those individuals acting as
"the executive by of an incorporated
"bona fide Social Club under the
"provisions of Section 168(2) of the
"Criminal Code are granted certain except-
"ions.

" A place is not 'A Common Gaming
"House' within the meaning of subparagraph
" (i) or clause (B) or (C) of
"subparagraph (ii) of Paragraph (d) of
"subsection (1)
"(a) while it is occupied and used by
"an incorporated bona fide social club
"or branch thereof, and including
"subparagraphs (i) and (ii) relating to
"bets on or proceeds from games played
"therein is not directly or indirectly
"paid to the keeper thereof, and no fee
"in excess of ten cents an hour or fifty
"cents a day is charged to persons for

Lawlessness [illegible] is [illegible] [illegible], 1952.

"Not Clubs operating in breaches of
"Gaming Under Federal Laws -
"Gambling Inq., Berlin Tap, and
"Tap. of Sandwich, South.

" Once a Club Charter has been
"revoked, either Federal or Provincial,
"it has been my experience dealing with
"the enforcement of the law in relation to
"the operation of 'A Common Gaming
"House' that those individuals acting as
"the executive by of an incorporated
"Club Social Club under the
"provisions of Section 168(2) of the
"Criminal Code are guilty of conspi-
"racy.

" A place is not 'A Common Gaming
"House' within the meaning of subparagraph
" (i) or clause (E) or (c) or
"subparagraph (ii) of Paragraph (d) of
"subsection (1).

"(a) while it is occupied and used by
"an incorporated Club Social club
"or Common Gaming, and including
"subparagraphs (i) and (ii) relating to
"bets or proceeds from games played
"therein is not directly or indirectly
"paid to the keeper thereof, and no fee
"in excess of ten cents an hour or fifty
"cents a day is charged to persons for

"the right or privelege of participating
"in the games played therein.
" Section 168 (1)(f) defines
"'Game' means a game of change or
"or mixed chance or skill.
" Section 168(1)(g) defines
"'Gaming Equipment' means anything that
"is or may be used for the purpose
"of playing games or betting.
" Section 168(2)(a)(i) and (ii)
"of the Criminal Code dealing with an
"incorporated bona fide social club or
"branch thereof, in actual law enforcement
"practice to-day makes void the
"Presumptions, Section 169 of the
"Criminal Code. You will note that clause
"(C) of subparagraph (ii) of Section 168
"(1)(d) makes provisions for the
"privilege of playing and participating in a
"game or using gaming equipment, whereas
"in the Presumptions Section 169 (b)
"evidence that a place was found to be
"equipped with gaming equipment or
"any device for concealing, removing or
"destroying gaming equipment is prima
"facie evidence that the place is 'A
"Common Gaming House' or 'A Common
"Betting House as the case may be'.
" Section 169 (c) evidence that

"the right or privilege of participating
"in the game played thereon.

" Section 182 (1)(r) defines
"'game' means a game of chance or
"a game partly of skill.

" Section 182(1)(s) defines
"'public gaming house' means anything that
"is or may be used for the purpose
"of playing games or betting.

" Section 182(1)(x)(i) and (ii)
"of the Criminal Code dealing with an
"[illegible] and [illegible] also a
"common theory", in second line underneath
"[illegible] Criminal Code will be
"[illegible], Section 182 of the
"Criminal Code. You will note that clause
"(i) of subsection (1x) of Section 182
"(1)(s) makes provisions for the
"[illegible] of playing and participating in a
"game or using gaming equipment, whereas
"in the [illegible] Section 182 (b)
"evidence that a place was found to be
"equipped with gaming equipment or
"[illegible] for [illegible], [illegible] is
"[illegible] prima facie evidence that the
"place whereon that the place is 'A
"common gaming house' or 'A common
"betting house as the case may be'.

" Section 182 (x) provides that

"gaming equipment was found in a
"place entered under a warrant issued
"pursuant to this part, or on or about
"the person of anyone found therein,
"is prima facie evidence that the
"place is 'A Common Gaming House' and
"that persons found therein were playing
"games, whether or not any person acting
"under the warrant observed any
"persons playing games therein.
" Section 169 (a) evidence
"that a police officer was authorized
"to enter a place was wilfully prevented
"from entering or was wilfully
"obstructed or delayed in entering
"is prima facie evidence that the
"place is a disorderly house.
" From the observations and
"experience in connection with
"the operation of 'A Common Gaming House'
"in relation to places operating under the
"provisions of an incorporated bona fide
"social club, where a gambling syndicate
"operates a Bank Crap Game, the
"police under the existing legislation are
"powerless to obtain the necessary evidence,
"as a result of searching the premises
"under the authority of a Warrant to Search,
"Section 171 (1) of the Criminal Code.

"A Bank Crap Game can be
"operated by means of gaming
"equipment, which can be used for a lawful
"purpose, and in order to obtain the
"necessary evidence to warrant a
"conviction, nothing short of having
"at last two officers undercover playing
"in the game is necessary, which is almost
"nigh impossible.

"All three of the marginally
"noted premises in the Province of Ontario
"are equipped flood lighting,
"lookouts used as parking attendants for the
"purpose of scrutinizing the occupants of
"motor vehicles, before being admitted
"into the premises.

"All three of these premises,
"formerly were in possession of Charters
"issued by the Department of the
"Provincial Secretary, Province of Ontario.
"Two of these Clubs as a result of
"adverse publicity from citizens and the
"Press discontinued operating under
"their present Charter. The charter issued
"under The Hamilton Business Mens'
"Bridge and Chess Club was cancelled by
"the Department of The Provincial
"Secretary for cause.

"These three Clubs after obtaining

"A Bank Crap Game can be
"operated by means of gaming
"implements, which can be used for a lawful
"purpose, and is never so special the
"necessary evidence to warrant a
"conviction, nothing short of having
"at least two officers undercover playing
"in the game is necessary, which is almost
"often impossible.

"All forms of the surreptitiously
"marked premises in the Province of Ontario
"are equipped fixed lighting.
"Lobsonite used as parking attendants for the
"purpose of marshalling the occupants of
"motor vehicles, before being admitted
"into the premises.

"All forms of these premises
"formerly were in possession of Charters
"issued by the Department of the
"Provincial Secretary, Province of Ontario.
"Two of these Clubs as a result of
"adverse publicity from citizens and the
"local Government operating under
"their present Charter. The charter issued
"under the Racing Commission Act,
"Bridge and Chess Club was cancelled by
"the Department of the Provincial
"Secretary for cause.

"Some Bingo Clubs after obtaining

"the present Charters from the Department -
"Secretary of State of Canada continued
"operations as they are at the present time."

THE COMMISSIONER: What is the meaning of the second last paragraph:

"All three of these premises formerly
"were in possession of Charters issued
"by the Department of the Provincial
"Secretary, Province of Ontario"?

MR. WILSON: We will have evidence on that. I take it there was a social club operating at these various locations but the operators at that time were carrying on under Provincial Charters. That must take us back quite a way.

THE COMMISSIONER: It must take us back before the Alpha Club.

MR. WILSON: Yes.

There is one further supplemental document which possibly can form part of this same Exhibit. It is a memorandum dated March 6th, 1956, from the Commissioner of Police for Ontario to the Honourable, the Attorney General re club charters. It says:

" Supplementing my memorandum
"to you of yesterday in connection with
"the marginally-captioned subject,
"I have the honour to advise that the Club
"charters of the three Clubs mentioned
"are as follows:

"The Ontario Jockey Club is incorporated -
"Authority of Act of Ontario authorizing
"incorporation. They are at the present time."

THE COMMISSIONER: What is the meaning
of the second last paragraph:

"All three of these premises formerly
"were in possession of Ontario issued
"by the Department of the Provincial
"Secretary, Province of Ontario"?

MR. WILSON: We will have evidence on
that. I think it has been put a special also mentioning
by those various locations but the commission of
what they were carrying on under Provincial
Ontario. That must take us back quite a way.

THE COMMISSIONER: It must take us back
before the Alpha Club.

MR. BLAKE: Yes.

There is one further supplemental
document which possibly can form part of this
case exhibit. It is a memorandum dated March 4th,
1926, from the Commissioner of Police for Ontario
to the Honourable, the Attorney General re
club clubrooms. It says:

"Regulations of commission
"in pool rooms/jockey to commission with
"the exceptionally-equipped and,last,
"I have the honour to advise that the Club
"quarters of the three clubs mentioned
"are as follows:

"The Club located at FORT ERIE
"Is chartered under the name of THE
"CANADIAN MERCHANTS NAVY VETERANS
"ASSOCIATION.
"The Club located at WINDSOR (SANDWICH
"WEST) is chartered under the name of
"THE ARMY, NAVY AND AIR FORCE VETERANS-
"Unit No. 327.
"The Club located at COOKSVILLE is also
"chartered under the name of THE ARMY,
"NAVY AND AIR FORCE VETERANS - Unit No.326.
I might add that personnel in
"our Anti-Gambling Branch, who are war
"veterans, some time ago made application
"to become members of The Army, Navy,
"And Air Force Veterans Club, located at
"Sandwich West and also at Cooksville.
"They were informed that their
"applications would receive consideration
"but of course they have never heard
"anything further concerning same."

---EXHIBIT NO. 66: Memorandum, dated March 5, 1956, from Commissioner of Police for Ontario to Attorney General; Report, dated March 5, 1956, from Sergeant Anderson to K.V.McNeill; and memorandum, dated March 6,1956, from Commissioner of Police for Ontario to Attorney General.

MR. WILSON: Now, I have a copy of a letter from the Attorney General to the Honourable Stuart Garson, dated March 6th, 1956. I have not any copies

"The Club located at 9 Wolf Hills
"is chartered under the name of THE
"[illegible]
"[illegible]
"The club located at [illegible]
"[illegible] is chartered under the name of
"THE [illegible], MAY AND ALL OTHER [illegible]
"[illegible] INC.

"The Club located at CONSTITUTIONVILLE is also
"chartered under the name of THE [illegible],
"[illegible] AND AIR FORCE [illegible] - [illegible].

I might add that personnel in
"our Anti-Gambling Bureau, who are not
"[illegible], even this big [illegible]
"to become members of the Army, Navy,
"and Air Force Veterans Club, located at
"[illegible] and also at Constitutionville.
"They have internal [illegible]
"[illegible] which [illegible]
"but of course they have never heard
"anything further concerning them."

[illegible] [illegible], [illegible] 3, [illegible],
From Commissioner of Police
for [illegible] to Attorney General,
[illegible], dated March 5, 1[illegible],
From Sergeant [illegible] to
[illegible]
and [illegible], [illegible] [illegible],
From Commissioner of Police for
[illegible] to Attorney General.

Q. Wilson: Now, I have a copy of a letter
from the Attorney General to the Honourable Minister
Gannon, dated March 6th, 1[illegible]. I have not any copies

of this.

"Dear Mr. Garson:

"I have your letter of March 1st, referring "to press reports on a section of the "annual report tabled in the Ontario "Legislative Assembly recently, and "made by Ontario Provincial Police "Commissioner E.V.McNeill."

That is that excerpt, you will recall, that we culled out of the 1955 report.

"I understand that there are at "least 3 Clubs operating in the "Province of Ontario under Federal "Charters. The practice in Ontario "if for the Provincial Secretary to "request the Ontario Provincial Police "to make an investigation as to "the character and reputation of "the Directors of the proposed "club. The Charter, if issued, is "to and for a specific location, and "contains a clause which prevents "the club or persons in possession "of the Charter, from barricading the "premises in such a manner as to "prevent easy access by police officers. "I enclose a copy of two of the standard "provisions contained in the Letters "Patent for a club incorporated under

of this.

"Dear Mr. Garson:

"I have your letter of March 1st, referring "to press reports on a section of the "annual report relating to the Ontario "Legislative Assembly Assembly, and "made in Ontario Municipal Trains "Commission S.C.(Ontario)."

That is true enough, you will recall, that we called out of the 1957 report.

"I understand that there are to "have 3 clubs operating in the "province of Ontario under Tenders "Charters. The practice in Ontario "is for the Provincial Ministry to "request the Ontario Provincial Police "to make an investigation as to "the character and reputation of "the Directors of the proposed "club. The Director, if issued, is "to and for a specific Operation, and "contains a clause which provides "the club or person in possession "of the Charter, from participating "premises in such a manner as to "prevent any action by police officers. "I enclose a copy of two of the standard "provisions contained in the letters "issued for a line transportation

"the Ontario Corporations Act.

" The Ontario Regulations also "contain a provision similar to the "special police clause (see enclosure)

" My attention has also been "drawn to certain provisions of the "Criminal Code, particularly section 168. "The exceptions provided by Section 168 "(2) when applied to a club operating "with a Federal Charter, in the opinion "of Commissioner McNeill, permits such "a club, if it is intent on doing "so, to operate in the field of gambling "under conditions which make it "almost impossible to secure evidence "leading to conviction.

" There are some places which "have given a good deal of trouble to "the Ontario Provincial Police, and "if you would see fit to adopt "requirements and regulations similar to "those mentioned above applicable to "any club in Ontario operating under a "Federal Charter, the uniformity of "requirements thus afforded would, in "the opinion of the Commissioner of "Ontario Provincial Police, greatly "facilitate the enforcement of the "Federal Code, particularly the sections

"relating to gambling.

" It may be that you would

"care to have a representative

"of your Department discuss the

"matter in more detail with

"representatives of this Department

"and, if so, I will certainly be pleased

"to facilitate such arrangements.

" I can assure you that there

"are specific cases which the Commissioner

"has in mind and details with respect

"to such cases are in his possession

"relating directly to this

"situation.

" Yours very sincerely,

" Attorney-General. "

(Page 1239 follows)

"waiting to counsel.

" It may be that you would
"care to have a representative
of your Department discuss the
"matter in more detail with
"representatives of this Department
"and, if so, I will certainly be pleased
"to facilitate such arrangements.

" I can assure you that there
"are specific cases which the Commissioner
"has in mind and details with regard
"to such cases are in this possession
"relating directly to this
"situation.

" Yours very sincerely,

" Attorney-General. "

(Copy 1890 Politics)

----EXHIBIT NO. 67: Letter, dated March 6, 1956, from Attorney-General to Honourable Stuart Garson.

MR. WILSON: Then Mr. Garson replied to that letter under date of March 21st, 1956, and that reply will be Exhibit 68:

"Dear Mr. Roberts, -

" I thank you for your letter of "March 6th, 1956, with reference to the "report of Ontario Provincial Police "Commissioner E.W.McNeill, tabled in "the Ontario Legislative Assembly, concern-"ing incorporated social clubs which "conduct common gaming houses and "outlining the practice adopted by the "Provincial Secretary in dealing with "applications for the incorporation of "such clubs.

" My colleague, the Secretary "of STate, has explained to me that the "policy of his Department for quite "some time has been <u>not</u> to incorporate "social clubs. A bona fide social "club normally is one whose members "live in close proximity to the club

—SECURITY RE-ED: Letter, Arthur Morris E. Hoh, from Assistant General to Commercial Theatre Manager.

Mr. Arthur, Chief Co. Thomas Douglas to this letter under date of March 21st, 1956, and that reply will be Tabling OR:

"Dear Mr. Roberts, -

" I thank you for your letter of "March 6th, 1956, with reference to the "report of Ontario Provincial Police "Constable W.V.Mullin, stating in "his private investigative capacity, "the Incorporated social clubs which "cannot issue Public Dance Hall "outlining the practice adopted by the "Provincial Secretary in dealing with "applications for the incorporation of "such clubs.

" As Ontario, the Secretary "of State, has replied to me that the "policy of his Department for quite "some time has been not to incorporate "social clubs. A bona fide social "club normally is one whose members "live in close proximity to the club

"premises which are placed at their
"disposal. It follows that the purposes
"and operations of a corporation of this
"nature are usually local in scope and
"accordingly do not fall within Part II
"of the federal Companies Act, as they
"are not to be carried on in more than
"one Province. As a rule, therefore,
"the Department of the Secretary of State
"so advises applicants for the
"incorporation of a social club
"and suggests to them that incorporation
"should be sought through the appropriate
"provincial authorities.

" It is conceivable that clubs
"federally incorporated for social
"purposes prior to the adoption of the
"policy above mentioned or federally
"incorporated for other legitimate
"purposes have contravened the Criminal
"Code, or conducted activities not
"authorized by their charter or the
"federal Companies Act.

" Subsection (4) of section 5
"of that Companies Act provides that if any
"company carries on any business not
"within the scope of its purposes or
"objects of incorporation such company
"is liable to be wound up and dissolved
"if the Attorney General of Canada, upon

"promises which are placed at their
"disposal. It follows that the purposes
"and operations of a corporation of this
"nature are usually legal (though not
"necessarily do not fall within Part II
"of the Federal Companies Act), as they
"are not to be carried on in more than
"one Province. As a rule, therefore,
"the Department of the Secretary of State
"no advices applicants for the
"incorporation of a social club
"and suggests to them that incorporation
"should be sought through the appropriate
"provincial authorities.

" It is conceivable that clubs
"federally incorporated for social
"purposes prior to the adoption of the
"policy above mentioned or federally
"incorporated for other initially
"proper but subsequent the Criminal
"Code, or conducted activities not
"authorized by their charter or the
"Federal Companies Act.

" Subsection (4) of section 5
"of that Companies Act provides that if any
"company carries on any business not
"within the scope of its purposes or
"objects of incorporation and corporate
"is liable to be wound up and dissolved
"if the Attorney General of Canada, upon

"receipt of a certificate from the
"Secretary of State to that effect, applies
"to a court of competent jurisdiction
"for an order that the company be wound up
"under the provisions of the Winding-up
"Act. However, that provision is not
"applicable to corporationswithout share
"capital incorporated under Part II
"of that Statute. The remedy in the
"case ofthe latter type of corporations
"is the common law action for annulment
"of the charter because of its misuse
"or abuse, and the Attorney General
"of Canada has been held to be
"the proper person to bring the action -
"In this connection I would refer you to
"Attorney General of Canada v.Hellenic
"Colonization Association, (1946)
"3. W.W.R. 482.
" We note your suggestion that, as
"we understand it, we should amend our
"Federal Companies Act to provide that
" a Federal Corporation (to use the words
"of the standard provisions contained in
"the Letters Patent for a club
"incorporated under The Ontario
"Securities Act).
" 'is prohibited from occupying
" and using a house, room or place as a

"club which, except for the provisions
"of paragraph (a) of subsection (2)
"of section 168 of the Criminal Code
"(Canada), would be a common gaming house
"within the meaning of paragraph (d)
"of subsection (1) ofthe said section
"169; and if it is made to appear to
"the satisfaction of the Provincial
"Secretary" of the Province in
"which "the corporation purports so to
"use a house, room or place, these Letters
"Patent may be cancelled by and in
"the discretion of the "Governor General.

"Special Police Clause

"'And it is hereby further
"ordained and declared that if it
"is made to appear to the satisfaction
"of the Provincial Secretary' of the Province
"in which such premises are situated 'that the
"premises occupied by the Corporation
"are equipped, guarded or otherwise
"constructed or operated so as to
"hinder or prevent lawful access to
"and inspection of such premises by
"police or fire officers or are found
"fitted or provided with any means or
"contrivance 'for playing any game of
"chance or any mixed game of chance
"and skill, gaming or betting or with any

"this which, except for the problem
"of paragraph (a) of Section (2)
"of article 120 of the statutes 1938
"(Cmnnm), would be a common pooling house
"within the meaning of paragraph (c)
"of subsection (2) of the said section
"120); and it is made to appear to
"the satisfaction of the Provincial
"Secretary" of the Province in
"which the application pertains or by
"the a Board, Commission or Board Council
"Council may be satisfied by that is
"the discretion of the "Superior Commission
"Council Public Clause

"And it is hereby further
"ordained and declared that if it is
"is made to appear to the satisfaction
"of the Provincial Secretary of the Province
"Public such premises are situated "that the
"premises occupied by the Corporation
"are equipped, guarded or otherwise
"constructed or operated so as to
"ensure to Secret Lawful Commission
"and inspection of such premises by
"police or fire officers or any Board
"fitted or provided with any means or
"apparatus that Public may deem of
"some or any other good of charge
"and shall, pending or hearing or with any

"device for concealing, removing or
"destroying such means or contrivance, these
"Letters Patent may be cancelled by
"and in the discretion of the "Governor
"General"".

" I must say that I doubt very much
"that Parliament would be prepared to enact
"legislation under which, by administrative
"action, the existence of corporations
"mentioned in the third paragraph
"of this letter could be terminated,
"with no opportunity given to the
"corporation to defend itself in a court of
"law against the charges made in
"relation to it.

" It would seem to me that as
"section 168 (2) of the Criminal Code
"deals with a place occupied and used by
"'an incorporated bona fide social club
"or branch thereof' and does not make
"any distinction as to modes of
"incorporation or as to incorporating
"authorities, a federally incorporated
"club which offends against the
"law is in a no more advantageous
"position than a provincially incorporated
"one; except, of course, that under
"your Companies Act, you can revoke
"the charter without giving the club
"an opportunity of defending itself against

"The charges brought against it in a "court of law. Since a bona fide social "club and its officers and members are not "immune from ordinary process and "investigation by means of a search warrant, "nor fromprosecution for obstructing a "peace officer in the execution of "such warrant, I would be inclined to the "view that we should not further "restrict their right to make a full "answer and defence in a court of "law to any charges that may be brought "against them.

" If, however, there are considerat- "ions which you think we have overlooked "in my present letter, I would be glad "to hear further from you. We are "most anxious to co-operate with you in any "way that we can within proper "limits."

---EXHIBIT NO. 68: Letter, dated March 21st,1956, from Honourable S.Garson, Minister of Justice and Attorney General of Canada, to Honourable J.Kelso Roberts, Q.C., Attorney General of Ontario.

MR. WILSON: Now, there were some verbal discussions between Mr. Garson and Mr. Roberts on March 22nd, 1956, as to which we will have to obtain the facts with respect to that conference from Mr.

"the charges brought against it in a
"court of law. Since a bona fide social
"club and its officers and members are not
"immune from ordinary process and
"investigation by means of a search warrant,
"nor from prosecution for obstructing a
"peace officer in the execution of
"such warrant, I would be inclined to the
"view that we should not further
"restrict their right to make a full
"answer and defence in a court of
"law to any charges that may be brought
"against them.

If, however, there are circumstances
"like which you think we have overlooked
"in my present letter, I would be glad
"to hear further from you. We are
"most anxious to co-operate with you in any
"way that we can within proper
"limits."

<u>[illegible]</u>: Letter, dated March 1st, 1926, from Honourable S.Gordon, Minister of Justice and Attorney General of Canada, to Honourable L.Taylor Reporter, B.C., Attorney General of Canada.

Mr. [illegible]: Now, there were some verbal discussions between Mr. Barron and Mr. Lafferty on March 22nd, 1926, so I think we will have to which the Canada with respect to that conference from Mr.

Roberts.

The next reference to any question of policy in connection with social clubs has appeared in the evidence as a decision reached at a meeting on May 25th, 1956. The diary of Sergeant Anderson for 1956, which has not been put in as an exhibit yet, and I will not put it in and have it identified later by Sergeant Anderson - - that will be Exhibit 69.

---EXHIBIT NO.69: Sergeant Anderson's 1956 Diary.

MR. WILSON: The entry for May 25th, 1956, in Sergeant Anderson's diary reads as follows:

"8.30 a.m. report for duty, office "duties.

"10:30 a.m. with Commissioner E.V.McNeill "to Attorney General's Department, "K.Roberts, re gaming."

Then it goes on - - -

THE COMMISSIONER: What date is this?

MR. WILSON: May 25th, 1956.

Then at the foot of the page there appears the following:

"Gaming houses execute warrants only "on complaints. Discontinue trying to "get officers in for time being to "see what happens. Confirmed by "Commissioner McNeill."

[illegible]

[illegible] to any question of
[illegible] in connection with [illegible] also the [illegible]
in the [illegible] on a [illegible] [illegible] as it [illegible]
on May 25th, 1926. The diary of [illegible]
[illegible] Vol. [illegible], which you may [illegible] [illegible] as
an exhibit yet, and I will ask you if it is and
have it identified later by [illegible] [illegible] -
that will be Exhibit 69.

[illegible] [illegible]
[illegible] story.

MR. WIGDOR: The entry for May 25th,
1926. In [illegible] [illegible]'s diary [illegible] as
follows:

"8.30 a.m. [illegible] for duty, office
"duties.

"[illegible] with [illegible] [illegible]
"to Attorney General's Department.
"K.Hobson, re [illegible].

Then it goes on - - -

THE COMMISSIONER: What date is this?

MR. WIGDOR: May 25th, 1926.

THE AT [illegible] of the year [illegible] [illegible]
following:

"[illegible] [illegible] [illegible] only
"on complaints. Disconnections trying to
"get officers in for time being to
"[illegible] report. Instructed to
"[illegible]."

We have not been able to find any written confirmation of the policy decision that was reached on that particular date.

We are now into 1957 and I produce a copy of a letter dated March 25th, 1957, from W.J.Scott, Fire Marshal, to Commissioner McNeill:

"Dear Commissioner:

" The Honourable the Attorney "General has requested that I assign a man "to work in conjunction with your "Anti-Gambling Squad to make sure that "that exit facilities, and fire safety "precautions at any Federally- "licensed gambling clubs are such "as to provide the usual and necessary "exit facilities, etc. Accordingly "I have assigned FMO Instructor Arnold "Farrell to this duty, and told him "to get in touch direct with your "inspector to get the addresses of "the clubs which he should visit and "any other information which should be "given to him.

" Being totally unfamiliar with "these gambling establishments -- "my lack of interest in gambling even "extends to the fact that I have never "even attended a horse race in "my life -- I am going to have to await some "of Farrell's inspection reports before

We have not been able to find any written confirmation of the policy decision that was reached on that particular date.

We are now into 1957 and I produce a copy of a letter dated March 25th, 1957, from W.J.Barry, Vice President, to Commissioner Sullivan, Chief Commissioner:

" The Honourable the Attorney General has requested that I reply to and "to work in conjunction with your "Anti-Gambling Squad to make sure that "that evil flourishes, and file safety "precautions at any Podewally-"Hammond gambling clubs are such "as to provide the usual and necessary "safe facilities, etc. Accordingly "I have assigned RCMP Inspector Arnold "Percell to this duty, and you may hear "to you in much closer with your "inspector to get the assurance of "the clubs which he should visit and "any other information which should be "given to him.

" Being totally unsympathetic with "these gambling establishments -- "my lack of interest in gambling even "extends to the fact that I have never "even attended a horse race in "my life -- I am going to have to await some "of Percell's inspection reports before

W.M.Clark page 7

"I can be satisfied that the policy "decision of the Attorney General "has been carried out.

We have not been able to find any written confirmation of the policy decision that was reached on that particular date.

We are now into 1957 and I produce a copy of a letter dated March 25th, 1957, from W.J.Barry, Vice President, to Commissioner Sullivan, Chief Commissioner:

" The Honourable the Attorney General has requested that I reply to and "to work in conjunction with your "Anti-Gambling Squad to make sure that "that evil flourishes, and file safety "precautions at any Podewally-"Hammond gambling clubs are such "as to provide the usual and necessary "safe facilities, etc. Accordingly "I have assigned RCMP Inspector Arnold "Percell to this duty, and you may hear "to you in much closer with your "inspector to get the assurance of "the clubs which he should visit and "any other information which should be "given to him.

" Being totally unsympathetic with "these gambling establishments -- "my lack of interest in gambling even "extends to the fact that I have never "even attended a horse race in "my life -- I am going to have to await some "of Percell's inspection reports before "I can be satisfied that the policy "decision of the Attorney General "has been carried out.

"having any reasonable ideas as to what
"might be required for some of these
"places. I will consult with you at
"that time, as to what action it seems
"feasible for us to take in the
"interests of fire safety which at the
"same time would further your anti-
"gambling activities.
" FMO Officer Farrell will be
"going to inspect these premises in uniform
"and where they are located in a city
"having a paid fire department, he
"will probably be able to have a
"member of that fire department accompany
"him. It may be that in some of the
"other places he may need an OPP
"officer to go along. Your inspector
"can probably best advise him on
"this and provide any needed instructions
"for your field man."

---EXHIBIT NO.70: Letter, dated March 25, 1957, from W.J.Scott, Fire Marshal, to Commissioner E.V.McNeill.

MR. WILSON: The next document is dated March 29th, 1957. It is a memorandum marked "Strictly confidential" and is from Commissioner McNeill to the Attorney General "re Gambling Establishments". It reads as follows:

" I have the honour to report that

"on Monday, March 25th, 1957, I conferred
"with District Inspector H.Ramsbottom
"of the Chatham District Headquarters;
"District Inspector J.H.Marsland
"of Niagara Falls District Headquarters,
"and District Inspector E.Hand of
"Newmarket District Headquarters, to
"ascertain if anything further could be
"done to secure the required evidence
"to substantiate prosecution of the
"operators of the undernamed
"gambling establishments : -
"Army Navy and Air Force Club,
"Unit 327, Sandwich South.
"Canadian Merchant Navy Veterans
"Association,
"Bertie Township.
"Army Navy and Air Force Veterans in
"Canada Club,
"Unit 326, Toronto Township.
" Those in attendance were
"informed that the tactics adopted up
"to the present time to obtain sufficient
"evidence to justify prosecution
"were unsuccessful, and it was explained
"that although there has been
"concentration on the plan to place someone
"under cover and have him admitted and
"accepted as a member of the Clubs to

"participate in the games, no success
"has been realized.
" It is the consensus that it is
"essential to have someone succeed in
"gaining membership in these Clubs and
"secure evidence of the operators
"sufficiently to permit participation
"in the games, but owing to the operators'
"knowledge of the legal technicalities
"to thwart the police from obtaining
"the required evidence, this method
"seems to be futile, but you may be
"assured that continued effort will
"be made to succeed along these lines.
"It is a well known fact that the
"principals are well versed in the
"methods and manner of preventing police
"authorities from securing the evidence
"to justify prosecution.
" At the conclusion of the
"meeting it was agreed that the
"following procedure would be taken to
"discourage gambling activities in these
"Clubs, and in the meantime other
"efforts continued to obtain sufficient
"evidence to warrant prosecution.
" (1) Sergeant J.M.Anderson
"of the Anti-Gambling Branch, with the
"co-operation of the above-named

"District Inspectors, in charge of
"Districts 1, 4 and 5, in which these
"three establishments are located,
"will arrange and supervise periodic
"raids. Personnel partidpating
"in these raids will be instructed
"on the proper procedure to follow and
"conduct themselves in a manner which will
"not give the operators or patrons any
"opportunity to criticize their actions.
"It is felt that ifthis plan of operation
"is continued, and supported by the
"Department, it might at least
"discourage those responsible for the
"games, and produce a feeling
"of uncertainty in the minds of the
"patrons, especially those from the United
"States who visit the Clubs.
" (2) Police personnel will
"not necessarily conduct raids in
"every instance, but will maintain close
"observation of the premises and frequently
"conduct motor vehicle inspections
"on the roads under our jurisdiction
"which are in close proximity to the
"establishments, and in this manner
"contribute somewhat to the disturbance
"of peace of mind to those
"involved.

" (3) Sergeant Anderson will
"co-operate with the officials of the Fire
"Marshal's Office to ascertain if these
"Clubs are conforming with the fire
"regulations ofthe Province of Ontario.
"With respect to this item I might
"advise that a representative of the Fire
"Marshal's Office has been in
"touch with Sergeant Anderson, and such
"representative intends to make
"an inspection of the premises as
"soon as possible.
" It is significant to point out
"that although our personnel have made
"a sincere effort to secure membership
"in these Clubs, their applications
"have always been refused by the executive
"of the establishments, without a
"reasonable excuse for rejection being
"given, and despite the fact that our
"personnel are veterans of World War II.
" At the conclusion of the meeting
"it was decided that after several
"raids had beenconducted in
"accordance with the above policy, a meeting
"would be held to carefully review
"the results, and further plans of
"operation completed in an effort to
"put these establishments out of
"operation.

" Sergeant Anderson of the Anti-
"Gambling Branch, telephoned from Essex
"this morning, and stated that at
"1.30 A.M. on March 28th he supervised
"a raid with District Inspector H.
"Ramsbottom of Chatham District
"Headquarters, and other personnel of
"No. 1 District, and executed a warrant
"on the premises of the Army Navy and Air
"Force Unit 327, Sandwich South.
" The police party were delayed
"for approximately one minute before
"being granted admission, and when
"they entered the premises there were
"approximately twenty-five to thirty
"men in attendance playing cards. Mr.
"Leo Finnegan, and the Steward, Mr. Johnson,
"were present, and all principals,
"of the Club were very co-operative.
" Sergeant Anderson stated that
"the search failed to reveal any evidence
"to justify a charge, and when he
"telephoned this morning he had just
"returned from the Club premises with
"the representatives of the Fire
"Marshal's Office. Apparently the visit
"revealed that a few minor changes on
"the Club premises were necessary, but
"there is no serious contravention of the
"fire regulations.

" Sergeant Anderson stated that
"the search failed to reveal any evidence
"to justify a charge, and when he
"informed this constable he was just
"returned from the Club premises with
"the representatives of the Police
"Commissioner's office. Apparently the visit
"revealed that a few minor changes on
"the Club premises were necessary, but
"there is no serious contravention of the
"Act concerned.

" Sergeant Anderson stated that
"Mawhiney (Manager), Sutherland (Pro) and
"this witness, and evidence that at
"1.30 A.M. on March 26th he supervised
"a raid with District Inspector D.
"Cameron of Chelsea District
"Headquarters, and other personnel of
"the 2 District, and searched a wooden
"on the premises of the Army Navy and Air
"Force Unit 367, Sawyers Court.

" The police party were delayed
"for approximately one minute before
"being granted admittance, and when
"they entered the premises there were
"approximately twenty-five to thirty
"men in attendance playing cards. No,
"the kitchen, and the showers, to. however,
"were present, and all principals
"of the Club were very co-operative.

"Simultaneous raids
"were conducted at approximately 1.30 A.M. on
"March 28th, under the guidance of the
"District Inspector concerned, with
"personnel from his District, and a
"representative from the Anti-Gambling
"Branch, on the premises located in Bertie
"Township and Toronto Township, and
"verbal reports received indicate
"that there was no evidence obtained
"to justify prosecution.

"As developments occur and
"raids are conducted you will of course
"be kept informed of the results."

---EXHIBIT NO. 71: Memorandum Marked "Strictly Confidential", dated March 29, 1957, from E.Y.McNeill Commissioner of Police to Attorney General.

MR.WILSON: The next is a memorandum dated April 5th, 1957 from Commissioner McNeill to the Attorney General, "Re: Gambling establishments." It reads as follows:

"I have the honour to report that
"close observation is being
"maintained by our personnel on the
"following three gambling establishments
"located in Districts 1, 4 and 5.
"Army, Navy and Air Force Veterans
"Club,
"327 Walker Road,

" Simultaneous raids were
"were conducted at approximately 1.30 A.M. on
"Monday last, under the guidance of the
"Criminal Investigation Department, with
"personnel from his District, and a
"representative from the Metropolitan
"Branch, on the premises located in Bertie
"Township and Tyrone Township, and
"final reports received indicate
"that there was no evidence obtained
"to justify prosecution.

" As developments occur and
"raids are conducted you will of course
"be kept informed of the results."

[illegible] "Twinkle
Confectionery", dated
March 29, 1937, from E.V.Merrill
Commissioner of Police to
Attorney General.

MR.WILSON: The next is a memorandum
dated April 5th, 1937 from Commissioner Merrill
to the Attorney General, "Re: Gambling
establishments." It reads as follows:

"I have the honour to report that
"close surveillance observation is being
"maintained by our personnel on the
"following three gambling establishments
"located in districts 1, 4 and 5.
"They are as follows:-
"(1)
"The Ballot Box;

"Sandwich South Township.

" A report received from Sergt.
"J.H.Hatch of our Essex Detachment,
"under date of April 1st, indicates
"that since the raid on the above-
"named premises, on Saturday, March 30th,
"1957, these premises have been closed,
"and there hase been no signs of activity.

" These premises will be kept under
"close observation daily and action taken
"as the circumstances warrant.

"Canadian Naval and Veterans Club,
"Thompson Road, Bertie Township.

" A report received from District
"Inspector J.H.Marsland of Niagara
"Falls District Headquarters reveals
"that since the search of these premises
"on the early morning of March 28th last,
"constant daily observation has been
"maintained by personnel of the Force
"under his supervision armed with a
"search warrant. This practice will
"be continued and should any developments
"occur which justify additional raids
"on these premises, immediate action
"will be taken. Observations will
"also continue and Inspector Marsland
"is hopeful that he may be
"successful in having an informant placed

"inside the establishment with the
"ultimate purpose of obtaining sufficient
"evidence to justify prosecution.
"Army, Navy and Air Force Veterans in
"Canada Club, Unit 326, Toronto Township.
" Since our personnel in No. 5
"District under the supervision of
"District Inspector E.Hand conducted
"a raid on the 28th March 1957 on the
"premises located in the Township of
"Toronto, a Corporal and two Constables
"have maintained nightly observation
"on the premises, checking all vehicles
"entering therein. Observation
"has been maintained from 11 P.M.
"until 4A.M., at which time the
"license of the driver has been
"examined and the number of passengers in
"each vehicle listed. A search Warrant
"is carried at all times by our
"personnel, andwill be executed as the
"circumstances warrant such action.
" Judging from reports received
"from our personnel in No. 5 District
"it is obvious that all principals and
"visitors to this establishment intend to
"render every co-operation, undoubtedly
"with the thought inmind that should the
"police exceed their authority, it would
"permit the principals to take

"justifiable legal retaliation.

" Each District Inspector "concerned has been impressed with "the necessity of maintaining "continued, close observation on "these establishments, and our personnel "will be in possession at all times of search "warrants, which will be executed "whenever circumstances permit, and "in such a manner to keep to a "minimum the possibility of objection "by legal counsel representing the "principals operating these Clubs.

" In compliance with your "instructions, a further report "pertaining to the operation of the "three above-described establishments "will be forwarded to you next Friday."

---EXHIBIT NO.72: Memorandum, marked "Strictly Confidential", dated April 5th, 1957, from Commissioner McNeill to Attorney General.

MR. WILSON: The next report or memorandum is dated April 12th, 1957. It is from Commissioner McNeill to the Attorney General. This is the only copy I have of this one at the moment:

"Re Gambling establishments.

"I have the honour to report that "information received from our District

"Inspectors at Chatham, Niagara Falls
"and Newmarket reveals that personnel
"of the Force are continuing to maintain
"close and constant observations on
"the three gambling establishments
"located at . . . . "

And then there follows the three Veterans' Clubs.

"Investigations made show that police
"action taken to date has somewhat
"disturbed the peace of mind of the
"principals and visitors to these
"premises. A representative of the
"Fire Marshal's Office, together with
"a member of our Anti-Gambling Branch,
"has now made an inspection of the
"premises located in the Township of
"Bertie and undoubtedly a report will
"be forwarded through Mr. W.J.Scott,
"Fire Marshal, containing the necessary
"recommendations.

" Following the recent inspection
"made by the representative of the
"Fire Marshal's Office at the Army
"Navy and Air Force Veterans' Club in
"the Township of Sandwich South, the
"volume of traffic entering and leaving
"these premises has decreased and a
"temporary curtailment of activities
"noted.

"District Inspector H.Ramsbottom
"of Chatham District Headquarters
"reports that commencing this week
"the club activities returned to
"normal and these premises were raided
"by personnel of the Force on
"Tuesday and Thursday nights, April 9th
"and 11th, at which time approximately
"10 Canadians and 45 Americans were
"present.

"On each occasion members of
"the Force entered the premises at
"11.00 p.m. and remained until
"approximately 1.30 a.m. the following
"morning. The participants were not
"in the least disturbed during the
"presence of our personnel and
"activities of the Club continued until
"approximately 5.00 a.m. on each occasion
"following departure of the police.

"On the occasion of the raid
"on Tuesday, April 9th, a delay of 4 and
"a half minutes occurred before the
"police were admitted. On Thursday
"night, April 11th, a delay of only
"1½ minutes occurred. The reason
"given for the delay on the first
"occasion was that admittance to the
"premises can only be granted by the

"steward of the Club who was not
"immediately available at the front door
"at the time of the raid. No evidence
"of any kind was obtained during either
"of the raids on these premises.
" Personnel of the Force
"assigned to special duty pertaining
"to these premises are in possession
"of warrants to search and when it
"is considered advisable raids will
"be conducted.
" I might also add that every
"effort is being made to place a
"representative of the Force or police
"officer in these premises with the
"hope that sufficient evidence will
"be secured to justify a prosecution."

---EXHIBIT NO.73: Memorandum, dated April 12,1957, from Commissioner McNeill to Attorney General.

THE COMMISSIONER: I see you looking at your watch. Do you want a recess?

MR.WILSON: Yes; maybe for a few minutes.

THE COMMISSIONER: Ten minutes.

---Short recess.

(Page 1275 follows)

WJR/1

MR. WILSON: The next one I have is dated May 10th, 1957. The Commissioner reports to the Attorney General. I haven't copies of this one.

"Re gambling establishments.

"I have the honour to report that "since my communication of April 12th, "several discussions have been held with "Messrs. W.B. Common and W.C. Bowman, "with respect to the continued observations "on the three gambling establishments "located in Sandwich South Township, "Bertie Township, and Toronto Township.

"As you know, it was agreed that "the present, approved modus operandi "with respect to these three clubs is to "be maintained, and reports received "from our District Inspectors at Chatham, "Niagara Falls and Newmarket indicate "quite conclusively that our personnel "are continuing close surveillance, and "whenever circumstances justify, "periodic raids are being made, in the "hope that some form of evidence might "be secured to substantiate or support "any future action considered by the "Department insofar as prosecution is "concerned.

"Mr. W.B. Common will be kept "informed of any untoward incidents "which might occur as a result of action

"taken by personnel of the Ontario
"Provincial Police, but in the meantime
"I wish to report that the most recent
"search of the Club located in Bertie
"Township took place on the night of
"May 6th, but nothing untoward was
"observed. District Inspector Maraland
"reports that the activities of this
"establish have not noticeably decreased,
"and it is felt that the concentrated
"action on the part of our personnel
"is having a discouraging or retarding
"effect.

"The same procedure is being
"followed by our District Inspector at
"Newmarket with respect to the establish-
"ment located in Toronto Township, but
"apparently nothing unusual has occurred
"during the past week as a result of the
"observations and checks made by our
personnel.

"However, it is interesting to
"learn that since Saturday, April 27th,
"1957, there has been no activity whatever
"on the premises located in Sandwich South
"Township, and reports received state
"that patrons attending this establish-
"ment are rejected, and leave immediately
"after arrival, without entering the
"building. It is felt that the patrons

"and visitors are being advised to dis-
"continue attendance until further
"notified that activities in this club
"are being resumed.

"Unless something of an exceptional
"nature takes place at the above named
"establishments I will submit a further
"progress report to you on Friday,
"May 17th, 1957."

---EXHIBIT NO. 74: Letter from Commissioner of Police for Ontario to the Honourable the Attorney General, dated May 10th, 1957.

The next one is dated June 5th, 1957. It is a memorandum from Commissioner McNeill to the Deputy Attorney General and I have no copies of this one. It is headed:

"Re gambling activities Canadian Merchant
"Navy Veterans Club, Township of Bertie.
"Army, Navy and Airforce Club, Windsor.
"The Army, Navy and Airforce Veterans in
"Canada Club - Unit 326, Toronto Township.

"Having reference to our telephone
"conversation of this date, I wish to
"advise that information received from
"District Inspector J.H. Marsland of
"Niagara Falls District Headquarters,
"indicates that on Monday, June 3rd,
"1957, the premises of the establishment
"located in the Township of Bertie were

"raided by personnel of the Ontario Provincial
"Police at 10.06 p.m., at which time only
"four men were present playing cards.
"There were no other activities and our
"personnel did not experience any difficulty
"or delay in gaining access to the building.
"Since that date constant observations have
"been maintained daily but there has been
"a noticeable lack of activity and there
"have been no persons visiting the premises
"or autos parked on the adjacent lot.
"Daily checks will be maintained in
"accordance with the departmental policy.

"District Inspector Hambottom
"of Chatham District Headquarters reported
"by telephone this date to the effect that
"no raids have been made on the premises
"located on Walker Road near Windsor
"since April 25, 1957, owing to the
"fact that there have been no activities
"whatsoever. A Corporal and a Constable
"have maintained close observations every
"night and there has been insufficient
"evidence of activity to justify further
"raids. With the exception of the
"staff there have been no visitors to
"this establishment, but daily observation
"will be continued and appropriate action
"taken if the situation changes sufficiently
"to justify further raids.

"District Inspector E. Hand of "Newmarket District Headquarters was "contacted by telephone this date who "stated that the premises located in the "Township of Toronto, were raided by "Ontario Provincial Police personnel "at 1.35 a.m. on June 4th, 1957, when "they were admitted to the building "after a brief interval of one minute "and ten seconds. There were "approximately 26 frequenters in the "establishment at the time of the "raid including the staff but no evidence "obtained justifying further action. "Daily observations will be continued "and appropriate action taken when "circumstances may justify.

"Generally speaking, it would "appear that conditions appear to be "more or less the same at these three "establishments and members of the "Force assigned to this particular duty "are applying themselves in an intelligent "and conscientious manner.

"I attach hereto for your infor- "mation copy of a letter dated the "30th ultimo . . . "

Now, I do not know whether the rest of that is particularly relevant to what I am dealing with.

THE COMMISSIONER: Let me see it. No

relevance to this, no.

---EXHIBIT NO. 72: Memorandum to the Deputy Attorney General from Commissioner of Police for Ontario, dated June 5th, 1957.

MR. WILSON: The next memorandum is dated July 12th, 1957, from Commissioner McNeill to District Inspector E.J. Hand. Now, I haven't got them, but similar memorandums went out to Districts 4 and 1. Bertie Township is in District 4, and the Roseland was Unit 327 and was No. 1.

THE COMMISSIONER: Yes.

MR. WILSON: "Re Army, Navy and Air Force "Veterans in Canada Club, Unit 326, "Toronto Township.

"Confirming instructions received "by you this date from Assistant "Commissioner J. Bartlett of this "General Headquarters, dealing with the "marginally-named subject, I wish to "advise that the personnel of the Force "under your supervision must be "instructed to discontinue checking "drivers and taking the names of "occupants entering the marginally-"named premises.

"Periodic observations may be "continued, and it is understood that "if the results of such observations

"warrant a raid, appropriate action must be taken without further instructions "from this General Headquarters.

"Please acknowledge."

---EXHIBIT NO. 76: Memorandum to District Inspector E.J. Hand from Commissioner of Police for Ontario, dated July 12, 1957.

MR. WILSON: You will recall that was at the time of the issue of the three charters and the meeting at which this policy was decided upon as given in evidence by Sergeant Anderson. Then there was the press release that was read into the record. It was a press release, as I recall it, of July 18th, 1957.

The next document --

THE COMMISSIONER: Let me see that one, please. What do you say is the significance of this?

MR. WILSON: It is at the time of the issue of the new charter.

THE COMMISSIONER: Yes. That is so, but what about it?

MR. WILSON: Well, I was just trying to get the events that occurred at that time in the proper focus. There was a meeting on that particular day, as you will recall it, on the evidence of Sergeant Anderson at the Attorney General's Department; and there was a press release by the Attorney General dated July 18th, 1957,

dealing with the issue of these three charters and the reason for that procedure.

THE COMMISSIONER: You will bring some light on that later, will you, Mr. Wilson?

MR. WILSON: Well, undoubtedly we won't get the whole story in regard to that particular date until the witnesses from the Attorney General's Department and the Attorney General himself give evidence.

THE COMMISSIONER: Very well.

MR. WILSON: Now, in point of time, the next document is a letter which was already in as part of Exhibit 41, or a memorandum, rather, of September 4th, 1959, from Commissioner Clark, the present witness, to the Deputy Attorney General, in which the Commissioner recommends --

THE COMMISSIONER: As part of what exhibit?

MR. WILSON: Exhibit 41. It was put in during the evidence of Mr. Cudney. I draw attention to the concluding words of the memorandum of Commissioner Clark where he says:

"I would recommend that the charter . . ."

And he is there speaking of the Unit 326:

" . . . be cancelled immediately."

There is one other thing that I would like to call your attention to in regard to that Exhibit 41. While the report is made by Constable R.J. Wright you will see near the end of the report that he says he was making the recommendation as to cancellation at the

instance of Sergeant Anderson. It is on the last page of the report.

THE COMMISSIONER: All right.

MR. WILSON: The next memorandum is dated September 9th, 1957, from Assistant Commissioner Bartlett to the Attorney General. I haven't got copies of this one. It is headed:

"Re gambling establishments.

"Sir:

I have the honour to attach "herewith the most recent weekly reports "from my District Inspectors at Chatham, "Niagara Falls and Newmarket for your "perusal.

"The reports outline recent "activities at Army, Navy and Air Force "Veterans Club in Sandwich South, "Canadian Merchant Navy Veterans Club "in Bertie Township, and Army, Navy "and Air Force Veterans in Canada Club "of Toronto Township, respectively.

"You will note, sir, that "according to observation of our personnel "the activities of these establishments "are increasing, excepting the Toronto "Township Club, where a decrease is "reported.

"It will also be noted that no "Sunday activity has developed at the "Bertie Township premises - periodical

"observation is being maintained and should
"anything of an exceptional nature take
"place you will be advised accordingly."

---EXHIBIT No. 77: Memorandum from the Assistant Commissioner to the Honourable the Attorney General, dated September 9th, 1957.

The next memorandum is dated December 22nd, 1958. It is from Sergeant Anderson to Assistant Commissioner Kennedy:

"Re Vets Club Highway 10 Toronto Township.

"Sir:

"Relative to the marginally-noted
"subject and to our interview with Mr.
"W.B. Common, Q.C., Deputy Attorney General,
"on Wednesday, December 17th, 1958, the
"following is submitted for your
"information, please.

"Thursday, December 18th, in
"company with Provincial Constable
"S.J. Napolitano, I contacted Chief
"Constable McGill of the Toronto
"Township Police Department.

"I advised him of the inquiry
"made by Crown Attorney Davis regarding
"what action, if any, we were taking
"withthe Club in question. I informed
"him that I had not been raiding the
"club for some time but had attempted,
"on occasion, to try and work an officer

"into the game - pointing up Constable "Napolitano's attempt to gain access.

"Chief McGill told me that he had "spoken to Mr. Davis in this instance, "having in mind the time when he had "spoken to Inspector Tomlinson who was "also attempting to work an officer into "the club - from Malton. Chief McGill "didn't want to do anything that might "in some way hamper our work.

"Chief Constable McGill and I "will meet again during the latter part "of January, 1959, at which time we "will formulate plans for the raiding of "the club to try and put it out of "business."

---EXHIBIT NO. 78: Memorandum from Sergeant Anderson to Assistant Commissioner W.H. Kennedy, dated December 22, 1958.

MR. WILSON: There is one document which I should have put in earlier. It is dated December 8th, 1954 - it is November, I am sorry, November 25th, 1954. It is a memorandum --

THE COMMISSIONER: November 9?

MR. WILSON: November 29th, 1954, from Staff Inspector Tomlinson to Commissioner McNeill. It is headed:

"Re: Execution of order to search Army, "Navy and Air Force Veterans' Club. "Township of Toronto, County of Peel.

"Attached hereto you will please "find report submitted by Corporal J.M. "Anderson of the Anti-Gambling Branch, "Ontario Provincial Police, who was in "charge of the officers taking part in "the search of the marginally-noted "premises during the early hours of "Wednesday, November 24th, 1954, which "report is self-explanatory."

That report is already in as an exhibit.

THE COMMISSIONER: Yes.

MR. WILSON: "Corporal Anderson has "given a complete detailed report of the "incidents that took place during the "period of time from the beginning of "the search through until the persons "who were placed under arrest, and "taken to Brampton for questioning in "the Magistrate's Court under the "provisions of Section 642 of the "Criminal Code, were released from "custody.

"The articles as written in the "press - The Telegram and The Toronto "Daily Star - covering this search, give "the impression to the public that the "officers of the Anti-Gambling Branch "acted on Gestapo-like orders from their "superiors, and beyond the law. After "reading Corporal Anderson's report,

"which gives the true facts, one realizes
"there is no semblance of truth being
"reported by the press in several of the
"details printed.

"The attaching hereto newspaper
"report of the Telegram and Daily Star
"for Wednesday, November 24, 1954, also
"editorial Daily Star, Friday, November
"26, 1954, for your information, please.

"At the present time the game
"conducted at the premises in question
"is reported as 'Bank Crap Game'. The
"doors are securely bolted and a push
"button outside is used to raise the
"alarm on the second floor once the
"police are observed approaching the
"premises. Pool numbered balls are used
"on the pool table as being 'layout' for
"the crap game, designating 'Ball.5.6.8.9.10'
"points to be rolled '6' and '8' rep-
"resenting 'come bets' and possibly
"other pool balls numbered according
"to additional bets being made.

"When an alarm is sounded the dice
"are disposed of in some unknown manner.
"On the second last raid at these
"premises the dice were found among the
"books on the book shelves. The complete
"complement of pool tables used in playing
"the game of pool are added to those

"already on the table used in dice game,
"and by the time the police reach this
"location the situation which confronts
"the officers is that a game of pool is
"in progress. On a second table a game
"of billiards may be in operation.

"In view of the stand taken by the
"Press and the criticism of the Officers
"of the Anti-Gambling Branch in this
"instance, I would appreciate being
"advised of the present standing order
"'that the premises in question are to
"be periodically searched' should be
"continued as in the past, regardless
"of whether or not a complaint is
received.

"Several attempts have been made
"to get an Officer of the Branch, unknown
"to the operators of this syndicate, into
"these premises by trying to make a
"contact with persons known to those
"who frequent these premises, but all
"attempts to date have been futile."

---EXHIBIT NO. 79: Memorandum to Commissioner McNeill from Staff Inspector Tomlinson, dated November 29,1954, with two attachments.

MR. WILSON: Now, the references to the press reports, I have a photostat of the report in the Daily Star on Wednesday, November 24th, but

I haven't the other. I have the editorial from the Star on November 26, 1954, so that the only one that is missing - and I will get that and possibly we can attach it - is the Telegram report of the incident.

The editorial of November 26 in the Star reads as follows:

"Is this law just?

"Ontario Provincial Police raided a "Veteran's Club in Cooksville and carried "off 34 found-ins evidently suspected of "gambling. Although no charge was laid "against them, they were taken before a "court in Brampton and interrogated. The "Magistrate found there was 'no case' "because no dice had been found.

"In a free country this seems a curious "procedure, but the present criminal code "provides for it, and the new criminal "code coming into force next year apparently "continues to sanction these fishing "expeditions. We doubt if they are justified "in principle even though sanctioned by "the law.

"The section of the code under which "action was taken is peculiar in more "than one way. It provides that the "examining magistrate must provide a "certificate to any of those he examines if "they make an honest disclosure, and this

I recently the Sidney. I have the following from the Star of December 30, 1929: We have one day one that is causing - and I will get there and possibly we can attack it - is the Veterans Bureau, or the Legislature.

The editorial of November 26 in the Star reads as follows:

"Is this our duty?

"Lawrence Westbrook Pelletier resigned a "Veterans's Bureau in Washington and Director "of Insurance effectively employed by "Coolidge. Although of strong and fair "military view, they very soon believe a "lower in Arkansas and Indianapolis. The "Harding Bureau have won the case" "because in them had been trouble.

"In a free country this seems a curious "procedure, but the problem existed and "provides for it, and has now continued "each coming into force each year apparently "continues to monitor these Pledge "appropriations. We doubt if they are justified "in particular even though sanctioned by "the law.

"The question of the code under which "Pension was taken in according to more "than one way. It provides that the "Veterans Bureau may provide a "reasonable allowance to any of those in sanatoria if "they make an honest disclosure, and this

"certificate will exempt the holder
"from procesution for any act he may
"commit.
"The prospect of such an examination
"might conceivably lead some to 'split'
"on the others. At any rate the
"exemption has to be provided in writing
"by the magistrate if the witness appears
"to have been frank.
"No newspaper is more opposed to gambling
"than The Star, but this clause of the
"criminal code seems to violate the
"principles of freedom and justice."

And in the Globe and Mail on November 25th, 1954, there was a press report. It is on page 10 of that day's issue and the heading is:

"No charge laid.
"Held five hours.
"34 men protest.
"A carefully planned raid at the Army,
"Navy and Air Force Veteran's Club at
"Cooksville by the Anti-gambling squad
"of the Ontario Provincial Police, using
"a section of the criminal code rarely
"invoked, failed to yield evidence
"of gambling early Wednesday.
"Proceeding under sections 641 and 642 of
"the criminal code - sections which
"permit a magistrate or other judicial
"authority to question individuals - the

"police arrested 34 men at 4 a.m.
"Five hours later they were freed.
"Magistrate R. J. Blain questioned seven
"of them, and then the case was dropped.
"No dice or other gaming equipment were
"found.
"To protest that the whole procedure was
"unjust and that the 34 persons had
"been held in custody without charges
"being preferred against them, an official
"of the Attorney-General's Department at
"Queen's Park, remarked:
" 'This is an act of the Dominion
" 'Government. We are not responsible
" 'for it.'
"The official admitted that these sections
"are rarely used, but he said they were
"not new sections and had been used before
"by provincial authorities."

(Page 1295 follows)

1/ACD/1

Now, I do not know if you want me to read the report in the Star, it is a little longer but possibly we could attached it to the-----

THE COMMISSIONER: We will attach it, yes. What you have handed me, Mr. Wilson, has some other documents attached to it.

MR. WILSON: Yes, the report of Corporal Anderson, as he was then, have already gone in as Exhibit 7.

THE COMMISSIONER: Show that to Mr. Wilson, will you. There are some other documents attached. I do not know whether they are significant.

THE REGISTRAR: Yes, sir.

)Documents handed to Mr. Wilson).

MR. WILSON: The 8th one, I think, is the one I am coming to now. I must have got it tied in with the earlier one.

THE COMMISSIONER: As long as they don't xxxxxxxxxgo in as part of Exhibit 7.

MR. WILSON: Oh, no. It has nothing to do, I do not think, Mr. Commissioner, with it. It must have just got attached by mistake.

THE COMMISSIONER: Yes.

MR. WILSON: Now, we will obtain a copy of the Telegram press report and attach it to that exhibit and I think that will complete the documents referred to.

THE COMMISSIONER: Yes.

MR. WILSON: The next document is a

Sir, I do not know if you want me to read the report in the Sun, it is a little longer but probably we could introduce it in the——

THE COMMISSIONER: We will return it, sir. Which you have handed me, Mr. Wilson, has some other documents attached to it.

MR. WILSON: Yes, the report of General Anderson, as he was then, have already gone in as Exhibit Y.

THE COMMISSIONER: Show that to Mr. Wilson with you. There are some other documents.

[illegible]: I do not know whether they are alleged.

THE COMMISSIONER: Yes, sir.

[Documents handed to Mr. Wilson].

MR. WILSON: The 6th one, I think, is the one I am coming to now. I must have got it tied in with the earlier one.

THE COMMISSIONER: As long as that exhibit xxxxxxxxxxx in as part of Exhibit Y.

MR. WILSON: Yes, sir. It has certainly to do, I do not think, Mr. Commissioner, with it. It must have just got attached by mistake.

THE COMMISSIONER: Yes.

MR. WILSON: Now, we will obtain a copy of the Telegram press report and return it to that exhibit and I think they will complete the documents referred to.

THE COMMISSIONER: Yes.

MR. WILSON: The next document is a

memorandum dated December 8th, 1954, from Commissioner McNeill to Staff Inspector Tomlinson. It is headed "Re Execution of Order to Search" and it refers to the unit 226"

"This will acknowledge receipt of your "communication of the 29th ultimo dealing "with the marginally named subject and "you maybe assured that I understand how "the press can give the wrong impression "to the Public by distorting the actual "facts of any particular case which "might be investigated by personnel of "this force or any other law enforcement "agency.

"Dealing particularly with the remarks "contained in the 2nd paragraph of your "communication, I would instruct that "if in your opinion the circumstances "justify and there is evidence, after "a reasonable observation, that gambling "activities are being conducted in any "establishment, appropriate action should "be taken by personnel of the Anti-Gambling "Branch under your direction regardless "of whether or not a complaint is received.

"In my opinion, the instructions recently "issued by the Deputy Attorney-General "dealing only with what might be termed "as 'nuisance raids' but if the circum- "stances otherwise justify, appropriate

Commissioner Mind Gardener Ltd, 1234, Road
Commissioner Mobell is Hall Industry Building.
It is headed "Re Execution of Order to Search"
and it refers to the unit 2345"

"This will acknowledge receipt of your
"communication of the 29th ultimo dealing
"with the materials found inside one
"the copies enclosed that I understand that
"the press can give the wrong impression
"to the public by distorting the actual
"facts of any prosecution that might
"right be investigated by personnel of
"this force or any other law enforcement
"agency.

"Dealing particularly with the
"contained in the 3rd paragraph of your
"communication, I would indicate that
"it is your opinion the circumstances
"justify and there is evidence, after
"a reasonable observation, that gambling
"activities are being conducted in any
"establishment, appropriate action should
"be taken by personnel of the Anti-Gambling
"Branch under your direction regardless
"of whether or not a complaint is received.
"In my opinion, the instructions recently
"issued by the Deputy Attorney-General
"dealing only with what might be termed
"as 'nuisance raids' but if the circum-

"action should be taken by the members
"of this Force employed in the Anti-
"Gambling Branch.
"Personally speaking, members of the
"Force under your supervision are
"Veterans of the last war, and if the
"regulations pertaining to the operation
"of the Army, Navy and Air Force Veterans'
"Club are authentic, such members of the
"Force with military service would be
"entitled to membership in these clubs.
"It would therefore, be feasible for
"them to obtain membership which would
"authorize them to visit these premises
"at any time they may be off duty and in
"this manner secure evidence to justify
"future police action.
"We have spoken about this method in the
"past and I am wondering if it has been
"actually experimented and I would be
"interested in learning of the results
"of any efforts made by you or members
"of the Anti-Gambling Branch along these
"lines."

THE REGISTRAR: That will be Exhibit 80.

---EXHIBIT NO. 80: Exhibit No. 80 Memorandum dated December 8th, 1954, from Commissioner McNeill to Staff Inspector Tomlinson.

MR. WILSON: And the next document is a memorandum dated December 9th, 1954, from

"Nature would be taken by the medium
"of data given requested by the Adjut-
"ant-General Branch.

"Personally speaking, members of the
"Home Guard Post Committees are
"members of the Land Army, and if the
"Regulations governing by the operation
"of the Army, Navy and Air Force Veterans'
"Club are sufficiently, such members of the
"Women's Land Army Service Corps would be
"entitled to membership in these clubs.

"I would therefore, Sir Charles Ker,
"ask if certain representations might yield
"authorize them to visit these premises
"at any time they may be off duty and in
"that manner avoid evidence in public
"Women Public Safety.

"My Army career ended this morning in the
"past and I am wondering if it has been
"actually experienced and I would be
"interested in learning of the results
"of any officers who in you of members
"of the Anti-Smoking Groups also from
"Scotland."

THE CHAIRMAN: Then will be Exhibit 87.

---EXHIBIT No. 87: Extract dtd. 20 Nov-Dec-
ember December 20th, 1944,
from Commissioner Exhibit
by Chief Commission Statistics.

Mr. Wilson: And the next document is a memorandum dated December 20th, 1944, from

Commissioner McNeill to the Deputy Attorney-General, and it deals with the same matter, and it encloses a copy of the memorandum of December 8th that I have just read:

"I forward herewith for your information, "copy of memorandum dated the 29th "ultimo submitted by Staff Inspector "W. G. Tomlinson, together with ~~a~~ "reports signed by personnel of ourAnti-"Gambling Branch, and newspaper clippings; "all having reference to a recent search "conducted by our Anti-Gambling Branch "personnel on the premises of the Army, "Navy and Air Force Veterans' Club in "the Township of Toronto.

"I have suggested to Staff Inspector "W. G. Tomlinson that as the members "of our Anti-Gambling Branch are generally "speaking, veterans of the last war, they "might be eligible for membership in "this Club and it might be well to "ascertain if such membership can be "secured.

"I have also replied to the query con-"tained in the 2nd final paragraph of "Inspector Tomlinson's communication, "indicating that 'nuisance raids' "should not be conducted but if the "circumstances otherwise justify, there "is no reason why our Anti-Gambling

Constituency Labour Party Secretary
Bournemouth, and it really did seem serious,
and it realises a copy of the memorandum of
December 5th that I have just seen.

"I forward herewith for your information,
"copy of resolution issued the 12th
"within circulated by Ministry Inspector
"W. G. Tomlinson, together with a
"reporter signed by personnel of ordinary-
"meeting between the constituency officers
"(1) having reference to a letter having
"circulated to the Ministry Inspector
"withdrawal of the Premiership in the Army,
"Navy and Air Force Ministries" from the
"the Premiership of Ministry.

"I have suggested to Minister Inspector
"W. G. Tomlinson that as the members
"of the Ministry Inspector have been
"considering, veterans of the last war, they
"might be eligible for membership in
"this Club and it might be well to
"ascertain if such membership can be
"secured.

"I have also replied to the query con-
"tained in the 2nd final paragraph of
"Inspector Tomlinson's communication
"indicating that Bournemouth Middle
"should not be overlooked but it was
"extraordinary circumstances (which
"is no reason why our Ministry-Conducting

"personnel should not take appropriate
"actions if observations and circumstances
"indicate gambling activities at this
"or any other Club in the Province.
"I trust that the above views coincide
"with your thoughts, on the matter and
"if any further information is desired,
"the same will be provided upon request."

THE REGISTRAR: Exhibit No. 81.

---EXHIBIT NO. 81: Exhibit No. 81 Memorandum dated December 9th, 1954, from Commissioner McNeill to the Deputy Attorney-General.

THE COMMISSIONER: Do you want the Commissioner sitting here for any particular reason?

MR. WILSON: Well, he is still nominally the witness.

E.2 THE COMMISSIONER: Yes.

MR. WILSON: And I imagine in a moment or two he will be cross-examined by my friends.

THE COMMISSIONER: Alright.

MR. WILSON: AS I mentioned, there were a number of complaints, but I am not satisfied that they have all been brought together in chronological order and I will in due course introduce them in evidence.

I think that is all I want from this witness at the present time.

"personnel should not take appropriate
"action if observations and discussions
"between gambling activities as this
"or any other film in the province.
I trust that the above views coincide
"with your thoughts, on the matter and
"if so further information is desired,
"the case will be provided upon request."

YOUR OBEDIENT SERVANT, R. E.

Exhibit No. 21 Letter No. 21 dated Ottawa Ont. June 1954 from Commissioner Mounty to the Deputy Attorney-General.

THE COMMISSIONER: Do you want the Commissioner Exhibit Number for that particularly?

MR. WILSON: Well, he is still continuing the witness.

THE COMMISSIONER: Yes.

MR. WILSON: And I imagine in a moment or two he will be cross-examined by my friends.

THE COMMISSIONER: Alright.

MR. WILSON: As I mentioned, there were a number of complaints, but I am not satisfied that they have all been brought together in chronological order and I will in due course produce them by evidence.

I think that is all I want from this witness at the present time.

THE COMMISSIONER: All right. Mr. MacKinnon have you some questions?

MR. MacKINNON: Yes.

THE COMMISSIONER: Very well.

EXAMINED BY MR. MacKINNON:

Q. Commissioner, how many men are in the Ontario Provincial Police?

A. At the present time?

Q. Yes.

A. 1,945.

Q. And how many divisions are those men split up into? We have heard of the Anti-Gambling Squad.

A. Yes.

Q. How many other squads and divisions are they?

A. Separate divisions?

Q. Yes.

A. There is the Anit-Highgrade dealing with gold, the Liquor Control Act Investigation Branch, the Criminal Investigation---

THE COMMISSIONER: Just a moment.

A. I am sorry, my lord.

Q. The Liquor Control what?

A. The Liquor Conyrol Act Investigation Branch.

THE CONSCIENTIOUS ANTI-SQUIRE, ETC.

(Manuscript note from Mr. Shaw's secretary)

Mr. Shaw's Tom.

THE CONSCIENTIOUS: Very well.

CHARACTER OF Mr. MACHINE:

Q. Conscientious, but Shaw's not are

in the Shaw's Pre-Fabricated Villas

A. At the Shaw's home

Q. Tom.

A. Alps.

Q. And for what Salvation Jim Shaw

men spoke up later? We have heard of the Anti-

Squire Shaw.

Q. Shaw.

A. How many other square Red Circles

are Shaw?

A. Japanese Circle?

Q. Yes.

A. Shaw is the Anti-Hippocrate

Boiling Wax Bath, the Latest Shaw Bad

Investigative Reporter, Ron Franklin Interrogatory—

WYN MACHINE: Can's Shaw?

A. I am sorry, my lord.

Q. The Figure Circled Shaw?

A. The Latest Shaw Circle? Are

Investigative Reporter.

Q. Yes.

A. The Criminal Investigation Branch?

Q. Yes.

A. And the Highway Traffic Branch.

MR. MacKINNON: These are the four---

A. Those are the four main branches.

Q. The main ones?

A. Yes.

Q. And is the fifth one the Anti-Gambling Squad?

A. Yes, if it is the fifth mentioned, yes, it would be.

Q. It does not come under the C.I.B., for example, criminal investigation?

A. No, it does not.

Q. And it is the smallest division of the Department?

A. No, I think the Anti-Highgrade Squad is the smallest unit.

Q. Now, I understood you to say that you and your force were under the control or responsible to the Attorney-General?

A. Yes.

Q. Is that correct?

A. That is correct.

Q. And, so far as your appointment was concerned, or the appointment of the Commissioner, how does that - how is that done? Is it the Attorney-General who appoints you?

A. Yes, I would say it is - that it was, subject, of course, to an Order in Council.

Q. Yes.

Q. Did Congressman [illegible]

Q. Yes.

A. And was Congressman Specific Persons.

Q. [illegible] Issues are the Issues.

A. Those are the first main problems.

Q. Are main cause?

A. Yes.

Q. And in this first one the Israel-

[illegible]

Q. Yes, it is the first [illegible]

[illegible] in Israel law.

Q. It does not mean under the U.S.A.,

[illegible] [illegible]

Q. Yes it [illegible]

Q. And if it is the [illegible] activism

of the Government

A. No, I think the [illegible] [illegible]

[illegible] in the [illegible] [illegible].

Q. Now, I understand you to say

that you and your forces were under the control

or responsible to the Government-[illegible]?

A. Yes.

Q. In what country?

A. Here in [illegible].

Q. And, so far as your [illegible] and

[illegible], or the [illegible] of the Government,

has done that - how is that done in if the

[illegible] [illegible] [illegible]

Q. Yes, I would say in an - that is an,

Q. Yes, but it does not come from inside the Force itself?

A. No.

Q. That is, your appointment?

A. No, that is correct.

Q. How was the other senior - for instance, Deputy Commissioner Bartlett was appointed Deputy Commissioner on August 4th, 1958?

A. The recommendation would come from the Commissioner's office to the Attorney-General.

Q. Isee, you were appointed at the same time?

A. Yes.

Q. Would you have made that recommendation, or would it be someone else?

A. Not necessarily. I think on that occasion the appointments were made at the same time by the Attorney-General.

Q. I see. Now, do all promotions have to be referred to the Attorney-General's Department?

A. The Commissioner's submission recommending promotion is forwarded to the Attorney-General.

Q. Now, for example, I understand that Sargent Anderson was promoted in the last year or so to Staff Sargent?

A. Yes.

Q. Yes. Did it come up-it came from Lewis the Venus Limited?

A. No.

Q. Did it come separately?

A. No, that is correct.

Q. Regard the other matter - the Lutzens, Regina Construction Services Ltd. - Regina Construction is known to Lutz?

A. The recommendation would come from the Commissioner's office to the Attorney-General.

Q. Now, you know Lutzens at one time?

A. Yes.

Q. Would you ever make that recommendation, or would it be someone else?

A. Not necessarily. I think on that occasion the appointments were made at the same time by the Attorney-General.

Q. I see. Now, do all prosecutions have to be referred to the Attorney-General's Department?

A. The Commissioner's summaries recommending prosecution is referred to the Attorney-General.

Q. Now, for example, I understand that August Lutzens has pleaded to the law that he is first Premier.

Q. Yes.

Q. Is that correct?

A. That is correct.

Q. Now, would his promotion have to be passed on by the Attorney-General's Department before it was confirmed?

A. It would be recommended by me.

Q. To ....?

A. To the Attorney-General.

THE COMMISSIONER: And who makes the promotion?

A. I suppose, my lord, it is passed on - it is approved by the Attorney-General and ratified by Order in Council.

MR. MacKINNON: But before there is any promition, Commissioner, it has to be approved by the Attorney-General, is that correct?

A. That is customary.

Q. Now, we have also had something said about reports, particularly the Anti-Gambling Branch reports?

A. Yes.

Q. Can you tell me to whom they are made and who makes the decision to pass them on on some occasions to the Attorney-General?

A. That would the Commissioner or the Assistant Commissioner. Their decision.

Q. They are passed on from the Head of the Anti-Gambling Squad to the Commissioners?

A. To the Assistant Commissioner.

Q. To the Assistant Commissioner?

A. Yes.

Q. How many copies would end up in the Assistant Commissioner's hands of those reports? Have you any idea?

A. Three or four. An original and two or three.

Q. And where are they placed?

A. They are retained on file at General Headquarters pertaining to the subject matter.

(Page 1304 follows)

Q. And are sometimes these reports forwarded to the Attorney-General?

A. Sometimes. On occasions they are.

Q. And is there any particular Assistant Commissioner through whose hands these reports would go?

A. Since I assumed office they would go through Assistant Commissioner Kennedy's hands or office.

Q. And prior to your assumption of your office, Commissioner, do you know to whom these reports would be made initially?

A. I think they would go to the then Assistant Commissioner Bartlett.

Q. I take it, Mr. Commissioner, that you, in common with all the other officers, keep a police diary?

A. No, I don't.

Q. You are the one who is exempted from this, are you?

(Page 1305 follows)

E.3

A. There is no necessity.

Q. There is no necessity?

A. The Commissioner's responsibilities are routinely administrative and there is no necessity for a diary being kept.

Q. Do you from time to time make memos of important matters?

A. If it was to be a memo retained by me, it would be a copy of a letter forwarded to whatever department it was going to.

Q. In 1957, according to - well, let us go back to 1954. You were, in 1954, a senior Staff Inspector, is that correct?

A. That is correct.

Q. Would you have any duties at that time in connection with Anti-Gambling or in connection with the Anti-Gambling Squad?

A. No.

Q. And you would not be consulted by that Squad or the then Commissioner in connection with any Anti-Gambling problems?

A. No, I would not.

Q. Then, in 1955, I see you were appointed Assistant Commissioner (Traffic)?

A. Yes.

Q. And you remained in that position, I take it, until you were appointed Acting Commissioner on May 8th, 1958?

A. Yes.

Q. Now, as Assistant Commissioner

A. There is no necessity.

Q. There is no necessity?

A. The Commissioner's responsibilities are routinely administrative and there is no necessity for a diary being kept.

Q. Do you from time to time make

[illegible] of [illegible] [illegible]

A. If it was to be a memo requiring by me, it would be a copy of a letter forwarded to whatever department it was going to.

Q. In 1957, according to - well, let us go back to 1954. You were, in 1954, a senior Staff Inspector, is that correct?

A. That is correct.

Q. Would you have any dealing at that time in connection with Anti-smuggling [illegible]

A. No.

Q. And you would not be consulted by that Board or the then Commissioner in connection with any Anti-smuggling problem?

A. No, I would not.

Q. Then, in 1955, I see you were appointed Assistant Commissioner (Traffic)?

A. Yes.

Q. And you remained in that position, I take it, until you were appointed [illegible]

A. Yes.

Q. Now, as [illegible]

(Traffic) did you have any duties in connection with the Anti-Gambling Squad?

A. No.

Q. Did you know the late Inspector Tomlinson?

A. Yes.

Q. Did you ever have any discussions with him as to his difficulties or otherwise in the Anti-Gambling Branch?

A. No, I did not.

Q. As a result of your position, can you tell me who the J.P's were, say from 1954 on, in the Provincial Police, being those who were capable of filing warrants?

A. Deputy Commissioner Lougheed, now retired.

Q. Yes.

A. He was a Justice of the Peace, and later I was appointed as a Justice of the Peace also.

Q. And do you know when you were appointed?

A. December 5th, 1955.

Q. December 5th, 1955?

A. Yes.

Q. If I might interrupt you there did you ever sign any warrants for the Anti-Gambling Squad?

A. Yes I have.

Q. Then who else was there?

[Counsel] did you know Mr. Vance's reputation
was one for truthfulness?

A. No.

Q. Did you know you have indicator
[illegible]?

A. Yes.

Q. Did you ever have any conversations
with and before Mr. [illegible] in connection to
the [illegible] Company?

A. [illegible]

Q. As a result of your testimony,
can you tell me who has 3.7's were, by from
[illegible] the [illegible] Office, [illegible] from
who were re,made of [illegible] warrants?

A. [illegible]
[illegible].

Q. Yes.

A. It was a function of the Tenen,
and Tenen I was appointed as a [illegible] of the
[illegible].

Q. [illegible]
[illegible]?

A. [illegible] Yes, [illegible].

Q. [illegible] Yes, [illegible]

A. Yes.

Q. Do [illegible] [illegible]
Did you [illegible] and [illegible] in the [illegible]
[illegible] [illegible]?

A. Yes I have.

Q. [illegible] [illegible]

A. The present Deputy Commissioner Bartlett.

Q. Bartlett?

A. Yes.

Q. And when was he appointed?

A. On or about the same time as I was.

Q. On or about December 5th, 1955?

A. That is right.

Q. And you and he are still J.P's I take it?

A. That is correct.

Q. And there are no others now?

A. No there is not.

Q. Now, you have been asked about some of Commissioner Kennedy's correspondence and memos?

A. Yes.

Q. They have been put in through you?

A. Yes.

Q. Did not Commissioner MacNeill - did not Commissioner McNeill give a statement in connection with the Freeley and McDermott prosecution?

A. I think he did.

Q. I wonder if I could have that statement, please?

MR. WILSON: Certainly you can have it if we have got it.

THE COMMISSIONER: Where is it now,

A. [illegible] [illegible] [illegible]

[illegible]

Q. Particularly?

A. Yes.

Q. And which has to be [illegible]?

A. We do which are there which do

I not.

Q. Do we [illegible] [illegible] Jim, [illegible]?

A. Just in [illegible].

Q. And you can see [illegible]

I know [illegible]?

A. [illegible] in [illegible].

A. [illegible] [illegible] [illegible]

A. [illegible] [illegible]

Q. [illegible] [illegible] [illegible]

[illegible]

A. Yes.

Q. [illegible] [illegible] [illegible] [illegible]

A. Yes.

Q. [illegible] [illegible] [illegible] —

[illegible] [illegible] [illegible] [illegible] [illegible] [illegible]

[illegible]

A. I think so [illegible].

Q. I wonder if [illegible] [illegible] [illegible]

[illegible] [illegible]

MR. MCLEOD: Continue [illegible] [illegible] [illegible]

[illegible] [illegible] [illegible] [illegible]

[illegible] [illegible] [illegible] [illegible]

Mr. Commissioner?

A. I think what Mr. MacKinnon refers to is a statement taken after the arrest of Wright.

MR. MacKINNON: Yes.

A. By Chief Inspector Graham.

Q. Yes.

A. There is one in existence.

Q. May I have a copy of it.

(Document handed to Mr. MacKinnon by Mr. Wilson).

MR. WILSON: That is it.

MR. MacKINNON: Thank you.

Q. I have here a statement headed "Mr. E. Victor McNeill" and it is dated May 24th, 1961, and it is signed "E.V. McNeill" and is witnessed by "H. H. Graham".

A. Yes.

Q. I take it, Inspector Graham was at this time apparently under your instructions and directions, was he not?

A. Yes, I would say he was.

THE COMMISSIONER: It is a statement to whom?

MR. MacKINNON: This is just a statement, sir.

THE COMMISSIONER: Yes.

MR. MacKINNON: In this statement I see that Mr. McNeill states:

"'confidential ' reports of the Anti-Gambling Branch were filed in the office of

Mr. Sensibleness?

A. I think that Mr. Sensibleness
[illegible] is a [illegible] [illegible] when [illegible]
[illegible] of [illegible].

Mr. Sensibleness. Yes.

Q. Is [illegible] [illegible] [illegible]

A. Yes.

Q. Have [illegible] [illegible] [illegible]

Q. How I have a [illegible] of 10.

[illegible] marked in Mr. Sensibleness [illegible]
[illegible] [illegible].

Mr. Lawson. [illegible]

Mr. Sensibleness. [illegible]

Q. I have [illegible] [illegible]
"Mr. S. Wooster Sensibleness" and [illegible] [illegible]
[illegible], and [illegible] [illegible] "W. H. Sensibleness" and
[illegible] by "W. H. Klaus".

Q. I [illegible] [illegible] [illegible]
[illegible] [illegible] [illegible] [illegible] [illegible]
[illegible] and [illegible], [illegible] [illegible]

A. Yes, I would say [illegible].

[illegible] [illegible] [illegible]
[illegible].

Mr. Sensibleness. [illegible] [illegible] [illegible]
[illegible].

[illegible]

Mr. Sensibleness. [illegible] [illegible] I [illegible]
[illegible] [illegible] [illegible]

"[illegible]" [illegible] [illegible]
[illegible] [illegible] [illegible] [illegible] [illegible]

"Mr. Norman Phelps, Police Executive "Officer, and these reports were filed "in confidential files. Routine reports "of the Anti-Gambling Branch were filed "in the General Office."

A. Yes.

Q. Now, is that a correct statement of the procedure that have been followed since you became Commissioner?

A. All reports are filed in the - all reports are filed in what is known as the "General Office" no matter what subject matter they refer to, but apparently at that time, the time that is referred in the late Commissioner's statement, there were reports filed in the office of the Executive Officer. Since this inquiry has started ----

THE COMMISSIONER: One moment, please.

A. I am sorry, my lord.

Q. There were reports filed where?

A. In the office of the Executive Officer.

Q. What do you mean by the "Executive Officer"?

A. He is the executive officer to the Commissioner, my lord.

Q. And who was he?

A. Norman Phelps.

MR. MacKINNON: Does he have a rank?

A. No, he is a civilian employee.

Q. A civilian employee?

A. Yes.

Q. Is there anything else that you wish to say on that?

A. Yes, there is.

Q. Yes.

A. In preparing the material for use at this Commission all reports were taken from whatever confidential files there were, as well as all reports from the - all correspondence from the General Office, and I understand that Mr. Wilson, Commission Counsel, has all of them,

Q He has received them? A. Yes.

Q. Now, these confidential reports, can you explain to me why they were marked 'confidential'? What was the reason for that as opposed to routine reports?

A. I cannot explain that, except in this way, that, being of Anti-Gambling material it might have been marked 'confidential' as such.

Q. Now, I see that the next paragraph in this statement refers to the removal of Clifford Vonzuben as well as Sargent John Cronin from the head of the Anti-Gambling Branch?

A. Yes.

Q. Now can you tell me whether that removal in April 1954 had anything to do with Mr. Sedgwick's letter a month or so before complaining about the zeal of this Branch?

THE COMMISSIONER: Where is this one,

Q. A stylized Sherlock?

A. Yes.

Q. Is there anything else that you want to say on that?

A. Yes, there is.

Q. Yes.

A. In preparing the material for my book Immortality all objects and notes which accompany individual crime scenes, as well as all reports from the - all correspondence from the General Office, and I understand then Mr. Wilson, Examination General, has all of them, in his invested cases.

Q. Did these constitutional requests, not yet begins to be the same second immortality? And we had found for the be applied to previous requests

A. I cannot digest that. Among in this case, then, being of anti-identifying material it might have been marked 'constitutional' as such.

Q. Now, I see that the most pertinent in this assessment matters to the removal of electronic documents as well as document from Canada from the hand of the anti-identifying research:

A. Yes.

Q. Now can you tell me whether that reasons in until light and anything to do with Mr. Sherlock's letter a month or so before complaining about the cost of this research?

Mr. MacKinnon?

MR. MacKINNON: It is the 2nd last paragraph, sir.

THE COMMISSIONER: Thank you. What is your question?

MR. MacKINNON: I wonder if he can advise me whether the removal of Venzuben as head of the Anti-Gambling Squad in April 1954 had anything to do or was in any way connected with the letter written by Mr. Sedgwick on January 27th, 1954, to Mr. Magone, which was Exhibit 62?

THE WITNESS: I cannot say.

MR. MacKINNON: Have you ever heard that it was as a result of complaints made that he was removed?

A. No, I have not.

THE COMMISSIONER: Just a moment. Or have you ever heard of any complaints?

A. No, I have not.

MR. MacKINNON: And in the last paragraph you will see that Mr. McNeill says this:

"Charters were issued in 1957 to Clubs "at Cooksville, Windsor and Fort Erie "without reference to my office or to "the Anti-Gambling Branch. Customary "procedure on receipt of applications "for charters at the office of the "Provincial Secretary was to forward "the applications to the Provincial

"Police with a request for a report
"and recommendation. I always for-
"warded the applications to the Anti-
"Gambling Branch. On receipt of their
"report with recommendations I forwarded
"same to the Provincial Secretary".

A. Yes.

Q. Now, I take it that since you became Commissioner that has been your practice has it not?

A. That is true.

Q. And did the late Commissioner McNeill ever discuss this rather unusual procedure in connection with these three Clubs with you?

A. No, he did not.

MR. MacKINNON: Mr. Wilson has given me the original statement, sir. I think it should be filed.

THE COMMISSIONER: Yes, Exhibit 82.

THE REGISTRAR: Yes, Exhibit 82.

---EXHIBIT NO. 82: Statement by Mr. E. Victor McNeill, Box 384, Peterboro, Ontario, dated May 24th, 1961.

THE COMMISSIONER: You had better get it right on the record that Commissioner McNeill died when?

A. February - January - sometime early this year.

Q. A matter of weeks ago?

A. Yes.

Q. And that statement was dated May 24th, 1961?

A. Yes.

MR. MacKINNON: Mr. Commissioner we have been hearing this morning a number of memos, and in a number of these memos it refers to undercover agents or attempts to get undercover men into the Clubs?

A. Yes.

Q. Is it not a correct proposition to state that undercover work is an accepted and normal practice of police procedure?

A. An accepted practice?

Q. Yes.

A. Yes, but under certain conditions.

Q. Yes, but there is nothing unusual about undercover work?

A. No.

THE COMMISSIONER: I suppose that is a method adopted when you cannot get evidence otherwise?

A. Under certain conditions, my lord.

MR. MacKINNON: And I take it that you agree that the conditions that existed in February 1960 were such as to allow for the use of Constable Scott as an undercover agent, were they not?

A. I thought so.

Q. I take it you still think so?

A. I do.

Q. And that statement was based

upon facts, truly?

A. Yes.

MR. MACDONALD: Mr. Commissioner is

from Counsel that Counsel's asking a question in part,

and it is another of those times if Counsel is

interested enough in philosophy to just accompany

your fact-free answer.

A. Okay.

Q. Is it not a central proposition

in online fact management that it is in business

for actual practice of public philosophy?

A. An excellent proposition?

Q. Yes.

A. Yes. But under certain conditions.

Q. Yes, but that is nothing unusual.

Which conditions?

A. Mr.

THE COMMISSIONER: I suppose this is a

formal objection that the Journal has included

in-house.

A. Good politic-politics, Mr. Chair.

MR. MACDONALDS: And I have it that you

believe that the conditions that existed in fact may

also have been so in the action for the use of

unavailable assets on an undercover basis, were they

not?

A. I believe so.

Q. I know if you still believe so.

A. I do.

Q. Now, I see in the 8th report, dated May 9th, 1960, under the heading of Tuesday, May 3rd ——

THE COMMISSIONER: Just a moment.

MR. MacKINNON: It is dated May 9th, 1960, my lord, the report itself.

THE COMMISSIONER: Yes.

MR. MacKINNON: And it is headed "8th Report," and under the ~~xxxx~~ heading of Tuesday, May 3rd, Scott is reporting on a conversation he had with McDermott, and one of the things that McDermott is alleged to have stated is:

"You might turn us in to the "Commissioner and save your own skin "because the Commissioner might let "you off if you give evidence against "us and we are the ones the Commissioner "would like to get."

THE COMMISSIONER: Just a moment until I get the continuity of that.

MR. MacKINNON: Now, I suggest that is a correct statement as to your attitude at that time?

THE COMMISSIONER: What?

MR. MacKINNON: That you were anxious to get Feeley and McDermott whether or not as the moving spirits behind the gambling syndicates - at least one of them - in this Province?

A. That is correct.

Q. And in the overall picture Police

Constable Wright, I suggest, was pretty small potatoes, was he not?

THE COMMISSIONER: What do you mean by that?

MR. MacKINNON: That he was not of nearly so great significance in your attempt to suppress this cancer that we have in this Province, of gambling, as Feeley and McDermott, with whom your force has been involved for years?

THE COMMISSIONER: Just a moment. You say he was pretty small potatoes as compared with Feeley and McDermott?

MR. MacKINNON: As compared with Feeley and McDermott.

THE COMMISSIONER: Well, I do not know just what that all means, Mr. MacKinnon?

MR. MacKINNON: Well, let me re-phrase it.

THE CHAIRMAN: Try and clarify it a bit.

MR. MacKINNON: Well, I suggest that the important criminal figures that you xxxx as Commissioner and your force were anxious to see put away were Feeley and McDermott?

A. Yes, I will agree to that. I will say yes to that.

Q. And Police Constable Wright, if you don't like the expression "small potatoes" was not a major figure in this conspiracy, I suggest?

A. At that time there were reasonable

Constantia Wilson, I suppose, was pretty small possible, was he not?

MRS. CONSTANTIA: What do you mean by small?

MR. MACKINNON: That he was not of heavy or great importance in that strength or magnitude this manner that we have in this Province, of speaking, as Treaty and Economist, with whom your force has been involved for power.

THE CONSTANTIA: Just a moment. You may be not pretty small personage as commonly also Finance and Economist!

MR. MACKINNON: In comparison with Trade and Commerce.

THE CONSTANTIA: Well, I do not know. Just most just all means, Mr. Mackinnon!

MR. MACKINNON: Well, let me re-phrase it.

THE CONSTANTIA: Why and chiefly is a man.

MR. MACKINNON: Well, I suppose that the Government Treasury figures that are done as Commissioner and your force more analysis to see put away very Treaty and Economist.

A. Yes, I will agree to that. I will say yes to that.

Q. And Trains Constantia Wilson, if you don't like the expression "small personage" was not a major figure in this conspiracy, I suppose?

A. No I don't think they [illegible]

grounds to believe, and I did believe, that he was a corrupt police officer.

Q. There is no question about that.

A. Which is no small potatoes.

Q. I quite agree with you. I am just relating it to Feeley and McDermott and to this statement made by McDermott, according to Scott, that he and Feeley were the ones you would really like to get.

A. That is true.

MR. MacDONOR: It is one o'clock, sir.

THE COMMISSIONER: All right, we will adjourn until 2.15.

(Page 1320 follows)

---Resuming at 2.30 p.m:

Mr MacKINNON: Commissioner, before the adjournment you told me that you believed that the xxx circumstances that existed in February of 1960 were appropriate for the undercover investigation which Constable Wright subsequently carried on; is that correct?

A That is true.

Q And I suggest to you that at no time did you consider that you were violating your oath of office, did you?

A Not then.

Q Did you at any time?

A Later I did.

Q You felt that you had?

A I felt I had, yes.

Q In what way?

A After receiving the first payment of $400, and having been advised that Wright may be the corrupt police officer and that there was the possibility that any offence then was complete, in carrying on with that procedure I felt that my oath of office may have been violated after that date.

Q But you did carry on, didn't you?

A I did.

Q Yes; and isn't it a fact that the reason Wright was transferred on January 15, 1960, to Belleville was because you were suspicious of his activities?

A That is true.

Q One of the reasons being, as appears

Resumed at 2.20 p.m.

Mr McDonald: Commissioner, before the adjournment you told me that you believed that the six circumstances that existed in relation to Ryan were conducive for the undercover investigation which resulted in Detectives Carlyle and Le [illegible]?

A. That is true.

Q. And I suggest to you that at no time did you consider that you were violating your oath of office, did you?

A. Not then.

Q. Did you at any time?

A. Larry I did.

Q. You felt that you had?

A. I felt I had, yes.

Q. In what way?

A. After receiving the first payment of $400, and having been advised that Ryan may be the corrupt police officer and that there was the possibility that any offence then was complete, in arguing on with what procedure I felt that my oath of office may have been violated after that date.

Q. But you did carry on, didn't you?

A. I did.

Q. Yes, and isn't it a fact that the second budget was transferred on January 5th, 1988, to Melaviltis was because you were suspicious of his activities?

A. That is true.

Q. One of the reasons being, as expressed

in Sergeant Anderson's diary, I take it, this "Curly" Gardiner episode in the Summer and Fall of 1959. Do you remember that episode?

A Very well.

THE COMMISSIONER: Is Gardiner in the courtroom?

A He is, my lord.

Q Where?

A Sitting at the rear on this side.

THE COMMISSIONER: Bring him forward, I want to see him. He can retire from the courtroom.

MR MacKINNON: I wonder if I might have Sergeant Anderson's diary for 1959. I do not believe it has been filed as an Exhibit yet, has it? The Registrar tells me it is one that hasn't been filed as yet. (Document produced)

THE COMMISSIONER: If you are going to be referring to it we had better get it marked.

---EXHIBIT No. 83 -- Sergeant Anderson's Diary for 1959.

MR MacKINNON: Q. Being back in this Diary, the first item to which I would draw your attention, Commissioner, is the entry under the date of March 31st, 1959, wherein Sergeant Anderson states that he went with Assistant Commissioner Kennedy to Commissioner Clark's office re an Inspector -- who is named here -- re tip-offs. Telephone call re this particular Inspector re a senior officer in the Attorney-General's Department; photographs, etcetera. Can you see this interview?

A No, I don't.

THE COMMISSIONER: Let me see that. (Same handed to the Commissioner)

MR MacKINNON: Q. You have no recollection of this interview at all?

A None whatever.

Q You cannot tell me what photographs were being discussed?

A No, I cannot.

Q That is March 31st. Then in this diary for 1959, under the date May 27th, 1959, Sergeant Anderson refers to a conversation he had with the Crown Attorney Forestell with regard to certain statements made about himself, namely that he was a stooge for McDermott, and apparently he made a report on that.

THE COMMISSIONER: All this is too vague for me to understand it.

MR MacKINNON: Well, if I say read from what Mr Wilson has given to me, it says: "Contacted by Mr Forestell, Q.C. re Ramsay Club. Advised that remarks made by Mr Fleming in front of he and Magistrate Hallett in Magistrate's office accusing Wright and I of being stooges for McDermott, and advised civil action. Report submitted in this respect. Verbal reply negative" or "nil". Do you remember this?

A I do.

Q There was a report submitted to you by Sergeant Anderson on this episode, was there?

A There was.

A. No, I don't.

MR. MONTGOMERY: Let me see that. (Handed to the Commissioner)

Q. (MONTGOMERY) Q. You have no recollection of this, Intendent Daly?

A. Not exactly.

Q. You cannot tell us where photographs were being discovered?

A. No, I cannot.

Q. Have in mind Exh. [illegible] when in this claim the [illegible] Radcliffe refers to a conversation he had with the Crown Attorney Brewster, with regard to counsel statements made about himself, namely that he was a stooge for Informer, and generally be made a [illegible] of him.

MR. MONTGOMERY: All this is too vague for me to understand it.

Q. (MONTGOMERY) Well, if I may read from what Mr. Kelly has given to me, it says: "Instructed by Mr. Brewster, Crown Attorney, [illegible] statements made by me relating to fraud of the [illegible] Indians in Manitoulin District during [illegible] I of Indian affairs for Manitoulin, and [illegible] action. Informer [illegible] in this manner. Various [illegible] "Kelly" [illegible]

A. [illegible]

Q. There was a number suggested to you by Commissioner [illegible] Mr. Brewster, the Crown

A. Crown was.

Q And he requested permission to institute civil action, did he?

A He did.

Q And you denied that request, did you?

A He was not granted permission after I had sent a Staff Inspector over to the Peninsula.

Q Did you interview anyone in the Attorney-General's Department about this particular course of action?

A No, I did not.

THE COMMISSIONER: Let me see that, will you please, Mr MacKinnon? (Same handed) Now you were reading something, Mr MacKinnon?

MR MacKINNON: I was reading from the summary of the diary which was given to me by Mr Wilson.

MR WILSON: It is a summary given to me by Mr Anderson of his diary, but there is the report the Commissioner is talking about. (Document produced) I have seen it just now for the first time, this morning.

MR MacKINNON: Q. Have you now in your hands the original report from Staff Inspector D.V. Whiteley dated August 6, 1959, in connection with this incident?

A No, I have one of May 28th.

MR WILSON: Maybe those are not copies. I thought they were copies, but apparently there is only one. Let me see that. No, that is not a copy of that. This is Anderson's.

Q. And he suggested pound-cake or

Institute ciral auction, did he?

A. He did.

Q. And you spoke [illegible], did you?

A. I did.

I had sent a [illegible] Inquirer over to the [illegible].

Q. Did you [illegible] [illegible] in the

attorney-general's department about this [illegible]

source of [illegible]?

A. No, I did not.

[illegible] [illegible] [illegible]

[illegible] [illegible] [illegible]

[illegible] [illegible] [illegible]

Q. [illegible] I was reading from the

[illegible] of the story which was given to me by [illegible]

[illegible].

Q. [illegible] It is a story given to me

by an [illegible] of the story, but there is one

report the [illegible] is talking about. [illegible]

[illegible] I have seen it just now for the first

time, this morning.

Q. [illegible] [illegible] [illegible]

[illegible] [illegible] [illegible] [illegible] [illegible]

[illegible] [illegible] [illegible] [illegible] [illegible]

[illegible] [illegible] [illegible] [illegible] [illegible]

[illegible] [illegible] [illegible] [illegible] [illegible]

A. No, I have one of my [illegible].

Q. [illegible] [illegible] [illegible] [illegible] [illegible]

I thought they were [illegible], but apparently there is

[illegible] [illegible] [illegible] [illegible] [illegible]

copy of them. [illegible] is [illegible]'s.

MR MacKINNON: That will come first then.

THE COMMISSIONER: In order that I may understand all this, you first referred to Anderson's diary of 1959 and an item dated May 27th, 1959. You had better start all over again because I have not grasped it yet.

MR MacKINNON: Do you appreciate the point?

THE COMMISSIONER: No, I do not. You had better start from the Diary. That is the memo of May 27th 1959 in the diary that you are about to speak of now?

MR MacKINNON: Yes.

Q Now, Commissioner, on this date, May 27th 1959, Sergeant Anderson refers to a Mr Fleming accusing himself and Mr Wright, or Constable Wright, of being McDermott's stooges?

A That is true.

THE COMMISSIONER: Just stop there. Who was Fleming?

MR MacKINNON: Who is Fleming?

A Fleming is a solicitor with a law office at 23 Queen Street, St. Catharines.

THE COMMISSIONER: In Anderson's diary he was angry apparently because Fleming said that he and Wright were McDermott's stooges?

A That is true, my lord.

THE COMMISSIONER: Now I have got that much. What is the next step?

MR MacKINNON: And Mr Fleming was acting for the defence, was he not, on the prosecution of the old Ramsay Club?

A. That is true.

THE COMMISSIONER: Yes.

MR MacKINNON: Q. Then with relation to that statement Sergeant Anderson prepared a memorandum for you dated May 28th, 1959. Is that correct? (Document handed to witness)

A. May 28th, 1959, yes.

Q. And is this that memorandum?

A. This is the memorandum.

THE COMMISSIONER: That will be Exhibit 84.

---EXHIBIT No. 84 — Memorandum prepared by Sergeant Anderson dated May 28, 1959.

MR MacKINNON: Now at the bottom -----

THE COMMISSIONER: Just a moment: I want to read this. All right, I have read it.

MR MacKINNON: Q. Now, witness, just referring to the last two paragraphs on page 1 of this report - and I am reading now - it says "The warrant "was executed at approximately 12.30 p.m. Tuesday "August 19, 1958, by Provincial Constable W.J. "Wright and myself. Mr Fleming, at this time, "accused Const. Wright and me of being 'McDermott's "stooges'. He was promptly informed that we "were not the 'stooges' of McDermott or anyone "else, and that if he disliked McDermott, I "disliked him even more.

" On February 18, 1959, when this case first "came to trial and when Const. Wright was in the "witness box, Mr Fleming leaned over to me and "stated that '3 days after Wright and I had been

"to his office McDermott had phoned him about
"the statement he had made in his office about
"our being the 'stooges' of McDermott and wanted
"to know if I thought that Const. Wright could
"have told him (McDermott)'."

Now you were, of course, aware of this report?

A I was.

Q And were you concerned at that time about the possibility that Constable Wright had advised McDermott of this statement?

A Not concerned. I was advised by that report that there may have been the possibility that Wright had conveyed it to McDermott, and that they had gone into Fleming's office, but I wasn't concerned about it, especially and more so after the inquiry conducted by the Staff Inspector.

Q That has been handed to me by Mr Wilson. It is addressed to you, dated August 6, 1959, signed by D.V. Whiteley, Staff Inspector. Is this the report? (Document produced)

A That is the report.

THE COMMISSIONER: Are you putting that in?

MR MacKINNON: Yes sir.

THE COMMISSIONER: Well then, when you got Anderson's report dated May 28th you got Staff Inspector -- what is his name?

A Whiteley, my lord.

THE COMMISSIONER: What is the date of that report?

MR MacKINNON: August 6, 1959.

"In his office, [illegible] had [illegible] his [illegible]

"He stated he had made in his office about

"our being the 'masses' of [illegible] and we [illegible]

"in June 1[illegible] [illegible] [illegible]

[illegible]

Now you have, of course, more of this report

A. I [illegible].

Q. And when you concerned at that time

about the possibility that [illegible] [illegible]

[illegible]

A. [illegible]

report that there may have been the possibility that

might have conveyed it to [illegible], and that they

had gone into [illegible]'s office, but I wasn't

concerned about it, especially had gone to after the

inquiry conducted by the Staff Inspector.

Q. That has been handed to me by Mr Williams.

It is addressed to you, dated August 6, 1949, signed

by D.V. Whitelaw, Staff Inspector. In this the

[illegible] (document produced)

A. That is the report.

[illegible]: Are you prepared [illegible]

[illegible]: Yes sir.

[illegible]: Well then, since you [illegible]

Andrews's report dated May 26th you not [illegible]

Inspector -- what is his name?

A. Whitelaw, my lord.

[illegible]: What is the date of that

report?

[illegible]: August 6, 1949.

THE COMMISSIONER: That will be Exhibit 85.

---EXHIBIT No. 85 -- Report by Staff Inspector D.V. Whiteley dated August 6, 1959.

Mr. MacKINNON: Now just dealing with the report of May 28, 1959, Exhibit 84, the concluding paragraph of Sergeant Anderson's report to you reads as follows:

"The McDermott referred to is Joseph McDermott, "one of the operators of the Center Road "Veterans Association, Toronto Township, and "alleged to be the "King pin" of organized gambling "in Ontario."

I take it, Commissioner, that certainly by the time the Scott undercover work began, you knew who Joseph McDermott was?

A I knew of him, but I had never met him.

Q But you knew who he was reputed to be?

A I did.

Q You have a clear statement of that in this Exhibit 84, don't you?

A That is quite correct.

Q And in Mr Whiteley's report to you he states he had interviewed Mr Fleming, and on page 2 he states that Mr Fleming advised him that McDermott had tried to work his way into the Ramsay Club and, when unsuccessful, might have been the cause of the raid. When you read that, did that cause you to go back in time to what gave rise to the raid on the Ramsay Club the year before?

A No, I did not.

Q You did not make any investigation as a result of the allegations contained in this report?

A Nor connected anything with it.

Q Then turning to September 9, 1959, in Anderson's diary for that year he refers to a telephone ------

THE COMMISSIONER: September what?

MR MacKINNON: September 9, 1959 -- he refers to a telephone call from Mr Frank Gardiner and he says:

"Contact 10.25 to 11.00 a.m., Bay and Queens Quay.

"Wishes to speak with the Commissioner re

"Joseph McDermott."

Now were you advised of this contact with Frank Gardiner ?

A I was advised I believe a few days ahead of that date and the meeting by Anderson with Gardiner.

THE COMMISSIONER: Of a projected meeting you mean?

A That is correct, sir.

Mr MacKINNON: And you were also advised ----

THE COMMISSIONER: Just a moment. Yes?

MR MacKINNON: Q. You were also advised, were you not, that at that meeting Sergeant Anderson had had a tape recorder strapped to his leg?

A I received that information later.

Q And that that tape recorder was strapped to his leg by Police Constable Wright; is that correct?

A I knew that later.

Q And that those two were the only two who knew about the tape recorder?

A That is right.

Q And isn't it a fact that subsequently Frank Gardiner or "Curly" Gardiner advised Sergeant Anderson that he was aware that the Sergeant had had a tape recorder on him at this first meeting?

A Later again subsequent to that information coming to me. This information came some time later when we succeeded in contacting Gardiner in Windsor at my instruction to bring him to Toronto - "If he wants to see me, let me see him here".

Q Did he come to see you?

A He never did.

THE COMMISSIONER: He is coming to see us.

A I hope so, my lord.

MR MacKINNON: Q. So if Gardiner knew about the tape recorder, there could only be two sources of that information; is that right?

A Quite true.

Q It was either Sergeant Anderson or Police Constable Wright; is that correct?

A Correct.

Q And I take it I am being fair to you when I say you concluded it was Wright?

A I did.

Q And as a result of this, maybe among other things, but as a result of this in part at least,

you transferred Constable Wright?

A As a result of that and other events, which later proved to be false, Wright was transferred by me from the Anti Gambling Squad to Belleville on general police duties, effective January 15, 1960.

THE COMMISSIONER: That was the year?

A 1960, my lord.

MR MacKINNON: Q. Was this transfer discussed with anyone in the Attorney-General's Department?

A No, it was not.

Q I take it that they do not have to approve transfers?

A No. It is a routine matter which is entirely up to the Commissioner.

Q Do I suggest to you, Commissioner, that at this time accordingly you were not only anxious to trap Police Constable Wright, but you were anxious to get the "Clagging" of organized gambling, as they were described in Exhibit 84, were you not?

A At this time the first thought was to bring to light a corrupt police officer. Secondly, if justification developed later, we would involve McDermott and Bailey in some manner, either gambling and so forth.

Q Weren't you interested in getting at these people who were corrupting your police officers?

A Not at that time; only the corrupt police officer was in my mind, to bring that to light -- at that time.

Q But that certainly would not prevent them from attempting to corrupt other police officers, would it?

A Quite true - quite true.

THE COMMISSIONER: I suppose what you mean is that as head of your department you were primarily interested in the fact that some man under you was corrupt?

A Very much so, my lord, yes; very much so.

MR MacKINNON: Q. Well now, turning to the interviews which you had with the Attorney-General's Department, you stated that you first reported this matter of your undercover investigation in 1960, on March 3rd 1960, to Mr Common; is that correct?

A That is correct.

Q How did that come about? Did you telephone him for an appointment, or what?

THE COMMISSIONER: What date was that?

MR MacKINNON: March 3rd.

A I cannot recall whether I telephoned him or not, but the discussion I had with the Deputy Attorney-General ------

Q Well, I am sorry, but I would like to take it in stages. In other words, you do not know how the appointment was set up, or do not remember?

THE COMMISSIONER: Well, it was set up by you?

A Yes. Either I went over to the main

building from our headquarters, or I was in the building for some other matter and dropped in to see the Deputy Attorney-General, or I may have phoned and made an appointment.

Q Did you have the first three reports with you at that time?

A Yes, I did.

Q And did you leave copies of them with the Deputy Attorney-General?

A No, I did not.

Q Did he read them?

A I cannot recall him reading them.

Q Did you summarize their effect, in any event?

A I did.

Q Now can you tell me what the substance of your discussion was, after you had told him what this was all about?

A I discussed the matter, or brought the Deputy Attorney-General up to date, because this was the first intimation he or anyone was aware of what had been going on. At that time, I may say, the first payment had been made by Wright to Scott in the sum of $400. The Deputy Attorney-General and myself then went into the Minister's office, and I appraised him of the facts from the commencement of the investigation to date at that time.

Q And were Peeley and McDermott and the Center Road Veterans Club discussed at all during

these meetings?

A. No, not that I can recall. No, I would say they were not.

Q. Well, it was quite apparent who was corrupting or attempting to corrupt the police officer wasn't it, at this stage?

A. In my mind it was, but I don't think it was on record in any of the first, second, third or fourth reports, but it may be.

THE COMMISSIONER: Up to that time Wright had rather skilfully avoided disclosing to Scott the source of the money?

A. Oh yes, and for some time after -- and for some time after.

MR MACKINNON: Q. Well, he certainly had advised Constable Scott as to on what clubs he wished to have this information.

A. I may be wrong, or I cannot recall it, but there was some mention there in either the first, second or third report about gamblers. Whether it mentions the Center Road Veterans Club or not I cannot say unless I see the report.

Q. In the very first report, Commissioner, under date of February 11th - that is the date of the report itself ------

THE COMMISSIONER: Wright is there talking to Scott?

MR MACKINNON: That is right, February 5th.

THE COMMISSIONER: Scott is quoting what Wright said, and among the things Mr Wright says this

"About two weeks ago I stopped a car for speeding and the driver turned out to be one of the gamblers from Toronto. The gambler was quite surprised to see me in uniform. This guy asked me if I would be interested in forwarding information to the principals of the gambling establishments at Cooksville and Niagara Falls, the Vets Club and the Ramsay Club."

Mr MacKINNON: So I suggest, Commissioner, there was no doubt as to who was behind this?

A No, there was none.

Q I believe you stated that after your meeting of March 3rd with the Attorney-General and the Deputy Attorney-General you continued to make interim telephone reports, did you?

A Either by telephone to the Deputy or a verbal report periodically.

Q Only to the Deputy Attorney-General, or did you make them to anyone else?

A No.

Q And do you know whether he was discussing this with the Attorney-General?

A I cannot say, but I assume he would or should.

Q Yes. Now your next meeting in the Attorney-General's office, I take it, was on May 11th, is that correct? I believe that is what you told us yesterday.

A There was a meeting on May 11th.

Q That was your next meeting with the Attorney-General, is that right?

A I will not say it was the next, but there probably was that meeting and one more, but I cannot recall.

Q Now you did not mention any other meetings yesterday, but did you think there was another one in between these two dates?

A It is quite possible. I cannot remember exactly.

Q Do you remember what was discussed at this other meeting?

A Probably the death rate on the highways, and so on.

Q I am talking about this problem.

A Not that I can recall discussing it with the Minister.

Q Now on May 11th you had up to the eighth report in your possession; isn't that correct? Up to and including the eighth report?

A The eighth report is dated May 9th, 1960. I would have that report, yes.

Q And did you have these reports with you?

THE COMMISSIONER: Where?

MR MacKINNON: Q. When you went to see the Attorney-General.

THE COMMISSIONER: On May 11th when he went to see the Attorney-General. On that date he went to see the Attorney-General?

MR MacKINNON: That is right.

THE COMMISSIONER: With whom?

MR MacKINNON: Q. Did you go by yourself?

A No, I went in with the Deputy Attorney-General.

Q There was just the three of you?

A That is correct.

Q And did you have the reports with you?

A I cannot recall having them, or having one.

Q Now I am going to refer you to the sixth report dated April 4th 1960, and that is in error, as appears from Scott's seventh report; it should be dated April 14th, 1960. It is headed "Sixth report".

THE COMMISSIONER: You say it should be April 14th?

MR MacKINNON: Yes sir. He so states in his next report.

THE COMMISSIONER: All right.

MR MacKINNON: Q. Have you got that?

A I have.

Q You will note that under the heading of Tuesday April 12th he deals with a number of items, and item number 8, which is on page 2, I will refer you to. It reads: "The brief on the Ramsay Club was composed by D. Humphry, P/c. Wright and others" and then he states it was forwarded and given to "James Maloney, the present Ontario Minister of Mines"--

A No, no.

THE COMMISSIONER: Well, he is leaving something out.

A Yes, very well.

Q. Are I would like to ask the [illegible] witness.

Q. Have you just the name of your [illegible]

A. [illegible]

Q. And did you have the meeting with you [illegible]

A. I cannot recall having that, or having one.

Q. Now I am going to refer you to the minutes [illegible] and then it [illegible] be [illegible] "[illegible] report".

MR. [illegible]: You may it should be [illegible]

MR. [illegible]: [illegible]. We do [illegible] [illegible] account.

[illegible]

MR. [illegible]: Q. Have you got that?

A. I have.

Q. You will see [illegible] the [illegible] [illegible] and line number 9, which is [illegible] I will [illegible] you to. It reads: "[illegible] on the [illegible] was [illegible] by P. [illegible], M.A. [illegible] and [illegible]" and then he states it was [illegible] [illegible] [illegible] [illegible] [illegible]

A. No, no.

MR. [illegible]: [illegible] [illegible]

Q. [illegible]

MR MacKINNON: "It was given to James Maloney, the present Ontario Minister of Mines, and he in turn gave it to District Inspector Stringer. Stringer then turned the brief over to Sergeant Anderson." Now isn't it a fact that at the time you had this meeting on May 11th 1960 with the Attorney-General, he knew of this allegation?

THE COMMISSIONER: Now ask him.

MR MacKINNON: I am asking him.

A You mean the Minister, the Attorney-General?

Q Yes.

A No, I don't think he did, because at no time do I recall the Minister reading any of these reports.

Q But you had reported on this?

A Yes I had, that the investigation was continuing. Briefly this is what I would report.

Q Did you not report on the substance of these reports?

A No, I don't think I did. I cannot recall doing so.

Q And you think you may have had the first three reports with you on the first occasion when you went to see the Deputy Attorney-General?

A I definitely remember that, plus the envelope containing the $400.

Q But you cannot remember whether you had the reports with you on the second occasion?

A No.

Q Well, was there any discussion about the Mines Minister and his involvement?

A There was not.

Q You did not raise it?

A No.

Q Were you aware that a magistrate prior to this date had complained to the Attorney-General about alleged interference with him by the Mines Minister?

A I don't think I was, no.

Q You were not?

A No, I don't think so. I don't recall.

Q Were any instructions given to you at any time to follow that matter forward and through?

A No, there was not.

Q Was it at any time discussed with you by the Attorney-General subsequent to this May 11th meeting?

A No, it was not.

Q Now am I correct in stating that the decision to terminate the investigation was the Attorney-General's decision?

A That was probably a wrong word to use. On May 11th I discussed the matter with the Deputy Attorney-General, and as a result of that discussion it was decided that a meeting should be held with the Minister, and out of that discussion with the Minister there came the decision that charges should be laid against Wright.

Q Now can I read to you from what you

Q. Really, Mr. Cross, you discussion [illegible]

MR. CROSS: [illegible] MR. MACDONALD:

Q. Please, sir, yes,

Q. You did not reply 319?

A. No.

Q. Was you aware that a mandamus order to this case had complained to the Attorney-General about allowed interference with him by the Crown officers?

A. I don't think I was, no.

Q. You were not?

A. No, I don't think so. I don't remember.

Q. Were any instructions given to you at any time to [illegible] and [illegible] by the Attorney-General concerning the [illegible] matter?

A. No, there was not.

Q. You [illegible] that [illegible] by the Attorney-General concerning to [illegible] the [illegible] matter?

A. No, I did not.

Q. Now as I remember in stating that the [illegible] to introduce the [illegible] was the Attorney-General's building?

A. That was probably a wrong word to use. On my part I discussed the matter with the Deputy Attorney-General, and as a result of that discussion it was decided that a proceeding should be held with the [illegible], and out of that discussion with the Minister there came the decision that [illegible] should be held [illegible].

Q. Did you [illegible] you [illegible]

stated on Friday, and if you disagree with it please let me know. It is page 1187 of Friday's transcript. You were being questioned by Mr Wilson at line 9:-

"Q. And what decision was arrived at
" between the three of you on May 11th,
" 1960?
"A. The decision was that Wright should
" be charged.
"Q. Whose decision was that?
"MR MACKINNON: What date is this?
"THE WITNESS: May 11th. That decision
" came from the Minister himself."

Now isn't that a correct statement of fact?

A That is a correct report of what was said here last Friday, but I probably should have tried to explain or clarified what my thoughts were.

THE COMMISSIONER: Well, qualify it now.

A Upon entering the Minister's office he was briefed by me in what had taken place. We now had $1013 and some consideration should be given as to possible charges against Wright. The Minister, when I had come to that stage -- the Minister as I recall it said or commented that my oath of office would not permit me to let Wright continue as a police officer on the one hand, having the knowledge that he was corrupt, and again as I recall it, he agreed then and stated that charges should be laid against Wright. That is it as I recall it.

MR MacKINNON: But I understood you to say earlier that this was not your position until the Attorney-General raised it, and then you began to think about it.

A Well, we discussed it prior to going into the Minister's office, that the time probably had arrived when charges should be considered.

Q And were you not considering charges against Feeley and McDermott as well?

A Not at that time, no. I was not.

Q Wasn't this an important consideration in this whole investigation?

A It was important, but my thoughts were connected with Wright, which I felt was more important, or equally important.

THE COMMISSIONER: Excuse me a moment. There is somebody standing down there. There are seats available. Very well, go ahead.

MR MacKINNON: But did not you know that Wright was corrupt when you moved him on January 15, 1960?

A Only suspected, only suspicion, which could not be determined or proven.

Q Then did you at any time leave copies of these reports with the Attorney-General's office?

A No sir.

Q At no time?

A At no time.

Q Up until this date?

A That is correct. Nobody wanted them,

I would say.

Q Pardon?

A I say they were more valuable to me than anyone else, and there was no copies ever made at that time.

Q Well, apparently you did raise one allegation in them at least with a senior official of the Attorney-General's Department. You told us that on Friday.

A Would you repeat that again please?

Q I say, at least you raised one statement in these reports, which appeared in these reports, with a senior official of the Attorney-General's Department.

A I did.

Q And you say that is the only specific bit of information you raised or advised the Department of?

A That is true; that is correct.

Q Now you mentioned Mr Lawrence - P/c Lawrence - and P/c. Lamoric, and I see as an addendum -- or at least it is after the tenth report, it appears as a little memo to you dated May 31st 1960 -- it is a memo from George Scott and it is the very last thing in the Exhibit -- he states that Lawrence had phoned him and asked him if he had blown the whistle on him; and he stated he had been interrogated by the Commissioner and Assistant Commissioner Kennedy, threatened with arrest and being put in gaol. Now is that a correct statement

of your interview with Lawrence?

A. No, it is not. I have a typewritten copy of the handwritten notes that were taken at the time of my interview with Lawrence.

Q. And with Lamorie?

A. And with Lamorie.

MR MacKINNON: Could I have a look at those please?

MR WILSON: Yes, we have them. I was going to put them in by the next witness as a matter of fact, because he is the one that took the notes, Assistant Commissioner Kennedy.

MR MacKINNON: Maybe I could just have a look at them.

THE COMMISSIONER: Show them to Mr MacKinnon now. (Document handed)

(Page 1342 follows)

BB/WJR

MR. MACKINNON: Q. Why did you suspend Constable Lawrence?

A. Lawrence was suspended based on the contents of the reports of Scott.

Q. And why wasn't he prosecuted?

A. In my opinion there was no substantiation of the allegation or the statements or the --

Q. Do you know whether Scott's evidence would have been as forceable as Lawrence?

THE COMMISSIONER: Well, he has given other reasons.

A. There is no corroboration to the statement or to any charges. There was no corroboration of any charges might be laid even under the Police Act.

MR. MACKINNON: Q. And Lawrence resigned?

A. He did.

Q. And the same explanation for why Lamorie was not prosecuted?

A. That's correct.

Q. And he resigned?

A. He did.

Q. Did it appear that the resignation form came from a common source?

THE COMMISSIONER: Just a moment.

MR. MACKINNON: Q. Did they resign in writing?

A. Oh, yes.

Q. Did it appear as if --

Q. Mr. McCormick: Q. Did you give Deputy Constable Lawrence?

A. Lawrence was supported Exhibit 1 the testimony of the property of Lawrence.

Q. Did only search in possession?

Q. In my opinion there was no connection of the allegation of the Attorney-General.

Q. Do you know Deputy's evidence Exhibit 1 Lawrence?

The Commissioner: Yes, I know.

Mr. McCormick: Q. Did they begin to search?

A. No, sir.

Q. Did it appear on it —

A. Yes.

Q. Did you see Lawrence?

A. Yes.

Q. Did you see Lawrence (continued) Lawrence?

A. No.

Q. Did the same conversation for why Lawrence had not prosecution?

A. That's correct.

Q. And for reasons?

A. No doubt.

Q. Did it appear with the arrangements Lawrence Exhibit 1 Lawrence testimony?

The Commissioner: Does a question.

Mr. McCormick: Q. Did they begin to search?

A. No, sir.

Q. Did it appear on it —

THE COMMISSIONER: No, no. They resigned in writing. Have you the writing?

THE WITNESS: I have copies of the resignation, my lord.

Q. Where is the original?

A. The original was forwarded with my submission that it be accepted.

Q. Forwarded to the Attorney-General's Department?

A. That's correct.

MR. MACKINNON: Q. While we are waiting for that, Commissioner, what did you propose or what were you proposing to do with their suspension? What were you going to do further?

A. My thought at that time was to conduct a hearing under the Police Act for misconduct; but they resigned. Wright was arrested on the 28th and they resigned, either or both of them together on the 30th.

Q. But you were prepared to go ahead withthe hearing?

A. I was.

Q. You felt you had enough evidence for that?

A. I thought I had.

Q. Did you have any part to play in the resignation from the force of Sgt. Cronin?

A. No, sir, I didn't.

Q. Now, there's a reference in the - I believe it's the 8th report on page 2 of a

raid on May 5th, 1960. Can you advise me --

THE COMMISSIONER: Just a moment. Yes?

MR. MACKINNON: Q. Can you advise me whether you have ascertained who signed the warrant for the raid that night?

A. I can't say. I don't know.

Q. Did you not make any attempt to find out?

A. No, I did not.

Q. Did you attempt to investigate any of the allegations contained in these reports?

A. Yes. I questioned the person after the publication in the press of the preliminary hearing.

Q. Yes?

A. As I recall what he said, that he had nothing to fear.

Q. He had nothing to what?

A. Nothing to fear.

Q. Did he sign the warrant?

A. I can't recall asking him or determining who signed that warrant.

THE COMMISSIONER: Q. Can that be determined now?

A. I have copies of them that may be available - if not the original one itself.

MR. MACKINNON: Q. Insofar as either the allegations contained in these reports or any attempt made to check their authenticity, the ones that could be checked, was that done?

Paid on any job, John. Was you going on --

Mr. Commissioner. Objection. Was

Mr. Commissioner. Was you going on

another job somewhere when signed the

mortgage, Mr. Jones, the deed also mortgage?

Mr. Jones. Objection.

Q. Did you not make any mortgage on that

deed?

A. No, I did not.

Q. Did you attempt to investigate the

of the signature contained in that mortgage?

A. Yes. I questioned the person

after the publication in the house of the

mortgagee family.

Mr. What?

A. As I recall what he said, when he

had nothing to do with

Q. He had nothing to do?

A. Nothing to do.

Q. Did he give the mortgage

A. I don't recall getting this or

transacting any business.

The Commissioner: Q. Was this in

conversation now?

A. I have spoken of some that day on

probation - if you the original one signed.

Mr. Commissioner. Inquired either the

signature contained in those papers or any

signature made to those trials subsequently, has

been that which is genuine, you know that?

A. No, not by me.

Q. Did Inspector Graham do this part of the work?

A. He may have done.

Q. He may have done that so he would be the man to ask?

A. He was seized with this investigation upon the arrest of Wright. Inspector Graham continued this investigation for many months after.

Q. For example, I have already referred you to the 6th report, page 2, item 16, which reads:

"Gardiner . . .

I gather this is the same Gardiner:

"Gardiner was sprung from goal by the "thieves through politicians."

The 6th report is dated April 14, 1960.

THE COMMISSIONER: April 14th?

MR. MACKINNON: Yes. It is under April 12th. It's item 16 on page 2. It is the 6th report, sir.

THE COMMISSIONER: Item what?

MR. MACKINNON: Item 16.

Q. Have you found it?

A. Yes, I have.

THE COMMISSIONER: Before asking him about it --

MR. MACKINNON: I was going to ask him whether this particular item had been checked.

A. No, not by me.

Q. Did Lawrence Brown be into you

of the money?

A. He did have some.

Q. Did you have some that he could

be use use to use?

A. He was asked when this investigation

upon the account of bribery. Commissioner Gordon.

WITNESS WAS EXAMINED for and upon behalf

after.

Q. Mr. Clarke, I have already mentioned

you as the ex-mayor, was in June 16, some

months.

"Question 1 - 4 -

I question this is the same conversation

"Question had become from your by the

"Question conversation relationship,"

The Sub-engineer is second month 4-, 1903.

Mr. Commissioner. Mayor Ward

Mr. Commissioner. Mr. Clarke, is he same legal

lady. Tell's time is on page 6. Is is the the

mayor, why?

The Commissioner. Then mayor.

Mr. Commissioner. Even so.

Q. Have you found why

A. Yes, I have.

Mr. Commissioner. Before getting the proof

is --

Mr. Commissioner. I was going to ask the

witness from publication time had been changed.

THE WITNESS: Not by me.

Q. Do you know Gardiner was released from jail early?

A. I'd heard that.

THE COMMISSIONER: Q. Do you know who is referred to by the 'thieves'?

A. McDermott, Peeley and a man named Ryan is mentioned some in these reports.

MR. MACKINNON: Q. They were known as the three thieves?

A. That's correct.

Q. Commissioner, did you take any responsibility for the laying of the charges against McDermott and Peeley - the charges which were ultimately made?

A. No, I didn't.

Q. Was the question of laying charges against these two men discussed with the Attorney-General's Department on May 11th?

A. No, it wasn't.

Q. Was it discussed with the Attorney-General's Department at any time prior to Wright's arrest?

A. No sir, it wasn't; not by me.

Q. Did Wright's arrest effectively terminate that phase of the investigation?

A. As far as I was concerned, yes.

Q. Now, I am advised that Wright kept a diary or purported to keep a diary, is that correct?

A. I am informed so.

Q. He wasn't operating under your instructions?

A. He was not, no.

Q. And did the keeping of that diary - and you are more familiar with it, with the contents, than I am - indicate to you that he had some knowledge that he was being investigated?

A. No, it didn't indicate that to him. It indicated that he -- It indicated to me that he was preparing his defence if he was ever caught.

Q. I see. Just a natural precaution?

THE COMMISSIONER: That is what the witness says.

MR. MACKINNON: Thank you.

THE COMMISSIONER: Have you some questions?

MR. BRYMIN: No, but Mr. Scott has some.

---EXAMINED BY MR. SCOTT:

Q. Mr. Clark, I want to take you back to the reports of Mr. Scott commencing with the first report which is dated February 11th, 1960, and in that report there is an indication at the very end of the report - a conclusion by Mr. Scott --

THE COMMISSIONER: Just a moment. The last paragraph?

MR. SCOTT: Yes, Mr. Commissioner.

THE COMMISSIONER: Yes?

MR. SCOTT: Q. There is:

"It is believed by this writer that P.C/

"Wright has been involved in this

"corruption sometime prior to his transfer

"to Belleville."

He enforced your own suspicions, didn't he? You were of the impression that Mr. Wright was already involved in some way in Belleville, so this conclusion of Mr. Scott's reinforced your own suspicions?

THE COMMISSIONER: It didn't reinforce it; it was just Scott's conclusion, too.

MR. SCOTT: Quite so.

Q. Then if I could take you to the second report which is dated February 18th, 1960, and at the very bottom of the report:

"P.C. Wright informed me that there was

"some suggestion --

THE COMMISSIONER: Just a moment - February 18th?

MR. SCOTT: Yes, Mr. Commissioner, the second report.

THE COMMISSIONER: Starting how?

MR. SCOTT: In the last paragraph.

THE COMMISSIONER: Read it.

MR. SCOTT: "P. C. Wright informed me. . ."

THE COMMISSIONER: No, that is not the last paragraph.

MR. SCOTT: Well, the last --

THE COMMISSIONER: The last paragraph starts out "Although F. C. Wright stated. . ."

MR. SCOTT: Not on page one, my lord, at the bottom of page one of the February the 18th report.

THE COMMISSIONER: Oh, yes.

MR. SCOTT: Q.

"F. C. Wright informed me that there was "some suggestion that information from "the Anti-Gambling Branch was being "supplied to the gamblers at Niagara "Falls through one - Sammy Balsom of "St. Catharines. (Sammy BALSOM is a "convicted bookmaker). F. C. Wright "said that he did not put too much "stock in this because he thought Sammy "was a little crazy."

Was any investigation made, to your knowledge, to ascertain the truth or otherwise of this suggestion of supplying information to the gamblers?

A. Sammy Balsom, as it is called here, was questioned after the Wright arrest and he had nothing to say; and so stated.

Q. Then the third report dated March 2nd, and in the 5th paragraph in the second section, just the last sentence:

"F. C. Wright stated that there were good "grounds for believing that someone on

"the Anti-Gambling Branch was forwarding
"information to the gamblers."
"He would not elaborate further at this
"time but said that he would meet me in
"Toronto this coming Monday and we would
"have a long talk."

Was any investigation made, to your knowledge, concerning this?

A. I might say that a lot of this material here is a sales talk by Wright to convince Scott that he should go along with the proposition.

Q. Pardon?

A. I may add to whatever I have said, it is a sales talk by Wright to Scott.

Q. Paying four hundred dollars wasn't a sales talk?

A. That's true; quite true.

Q. On the second page of the second report, paragraph 2:

"P.C. Wright stated that the pay-offs
"to the source of the information on the
"Anti-Gambling Branch were coming in
"small amounts such as $10.00, $25.00
"and $50.00."

And in the same report at paragraph 6:

"We touched briefly on the hearings at
"Queen's Park and that the charter would
"be retained. He said that the charter

"was due to be cancelled but someone
"in the Department of the Attorney
"General had blocked the proceedings."
Do you know whether --
THE COMMISSIONER: That is Wright talking?
MR. SCOTT: Yes. This is a report of what P.G. Wright stated to Mr. Scott.
Q. Now, was anything done to ascertain whether or not this allegation was true?
A. Not by me.
Q. On the last page of the report in paragraph 8 with regard to the possibility of someone on the Anti-Gambling Branch --
"With regard to the possibility of someone
"on the Anti-Gambling Branch forwarding
"information to one - Sammy BALSOM, I
"feel that rather than include various
"suspicions in this report I shall wait
"until I learn more about the matter from
"P. G. Wright or any other source. I
"would just mention however that in the
"last month Provincial Constable K. C.
"Lamorie appears to be living outside his
"means. Also that if there be 2 informants
"on the Branch, the suspects would be
"Constable Lamorie and Provincial Constable
"W. C. B. Lawrence."
Which is the first suggestion that other members of the Anti-gambling squad might be

involved?

A. That's correct.

Q. And these are the two who were subsequently suspended?

A. That's correct.

Q. Or subsequently resigned?

A. That's correct.

Q. Was any action taken at this time to follow up on these allegations?

A. No, there wasn't.

Q. Now, these are the three reports that you told us were in your possession - you had with you - when you first spoke to the Deputy Attorney-General on March 3rd. Were any of these allegations brought to Mr. Common's attention at this time?

A. I don't think so; not by me, at that time.

Q. Can you tell us if the reports were available to him to read?

A. Oh, yes. I had those reports with me.

Q. Did he read them?

A. I don't recall him readingthem.

Q. And there was no discussion by you at that time of this suggestion there were two other members of the anti-gambling squad it was alleged was supplying information to gamblers?

A. No, I can't recall discussions on two others; I can't recall discussing two others at all at that time.

Q. You told us in your cross-examination that the matter of Wright's involvement was very important - of great importance to you - the possibility of his being a corrupt official?

A. That's true.

Q. Yes. Yet you didn't think of the possibility of two other members being corrupt?

A. These were confidential reports made by an officer working under cover; and anything made or done might upset the whole set-up which was then apparently functioning as well as could be.

Q. What I am asking you is: Were you disturbed by these allegations?

A. I was.

Q. Well, you did not feel they were of sufficient moment to investigate them further?

A. Not at that time. No, I didn't.

Q. Did you at a later time?

A. It was my intention, as I related here, that Lawrence and Lamorie, when questioned and suspended on the day following Wright's arrest, and the day following that --

Q. Coming to the fifth report dated

April 2nd, and on the second page under the heading Tuesday March 29th, sub-section C:

"The alleged informants on the Branch are "supposed to be protecting four betting "houses, located at St. Catharines, "Niagara Falls, Port Erie and Thorold. "P. C. Wright stated he would try to find "out the location of these premises and "advise me accordingly."

A. Under what date, Mr. Scott?

Q. Under the date March 29th, Tuesday, on page two of the April 2nd report by Mr. Scott and in Section C.

A. Yes, I have it now.

THE COMMISSIONER: What do you want to ask him about?

MR. SCOTT: I was just going to ask if any investigation took place with respect to that allegation.

THE WITNESS: There was one made, I think, of Pietro Shenko, was also questioned at the same time as Balson was and he also had nothing to say. A convicted bookmaker.

Q. Coming to the 5th report, which Mr. MacKinnon has spoken to you about, dated April 14th, 1960 --

A. What date, Mr. Scott?

MR. SCOTT: Q. April 14th. It was April the 4th and corrected in the next report

to April 14th under the item Tuesday, April 12th?

A. Yes?

Q. Paragraph 1:

"(1) Cpl. Shrubbs' position on the "Peterborough Police Department was bought "by the 'thieves' to remove him from the "anti-gambling squad."

Do you consider that a serious allegation?

A. I do. I did.

Q. Was any investigation done in this respect?

A. There was.

Q. Tell us the results?

A. Chief Inspector Graham questioned those chief constables and there was a denial from all of them.

Q. Yes?

A. That they participated in such a transaction or deal.

Q. I take it then that explanation would refer similarly to item two?

A. That's true - quite correct.

Q. With respect to this same report on page two, item ten:

"(10) P.C. Wright had a partner on the "Force but not on the Branch. The "partner was 'cut out' but, P.C. Wright "did not receive his partners share as

A. My own thinking -- Do you want my thinking? I thought he was being supplied with the money by McDermott.

Q. That is Joseph McDermott that Mr. MacKinnon is alleging is the king pin of organized gambling?

A. That's correct.

Q. And convicted. Yes. Coming finally to the report dated May 9th, 1960, being the 8th report of Mr. Scott, under the heading of Tuesday, May 3rd, paragraph A, there is a reference here to an Assistant Crown Attorney "is a pal of ours". Did you consider this a serious allegation? The possibility of an Assistant Crown Attorney being a pal of the gamblers?

A. I do.

Q. Did you report that to the Attorney-General's Department?

A. I did not.

Q. Didn't you consider it serious enough to report it to the Attorney-General's Department?

A. I considered it serious, but I didn't report it.

Q. Why not?

A. At this time -- Again I repeat, this investigation was still undercover.

Q. Would the fact that you reported it to the Attorney-General's Department remove

it from being undercover? Would they have kept it in confidence, such a serious allegation?

A. I would hope so. I would hope so.

Q. Then referring you to page two to Thursday, May 4th, or 5th, rather; this again is Scott speaking:

"I telephoned number CH 8-3783 at "approximately 8.10 p.m. The usual party "(Joe McDermott) answered the phone. "I started to tell my contact that the "club at Niagara Falls would be raided "this evening but before I could tell "him he said that he knew and that Jimmy "Bartlett had signed a warrant and had "told him. (This was said in an almost "joking manner). I asked my contact "whether or not the other 2 informants on the Branch were supplying any information to the club at the Falls "and he replied, no."

Didn't you consider this as a very serious allegation?

A. I did.

Q. And what did you do as a result of the allegation in the report?

A. Sometimes — As I say, after the publication of the names in the press I had a discussion with the Deputy Commissioner and on not only that matter but I think on one other

matter, and he said he had nothing to do with it.

Q. Is that all he said at the time?

A. He -- I can't recall this particular item but there was another item. He said he wasn't there at this group meeting and never did receive what he is alleged to have received.

Q. Under the heading of Sunday, May 8th, paragraph B --

THE COMMISSIONER: Paragraph what?

MR. SCOTT: B, Mr. Commissioner.

Q. There is a suggestion here that a member of Parliament in the Peninsula had received money to take pressure off the club in the Peninsula. Was any investigation made as a result of that?

A. Not by me, no.

Q. And in paragraph C:

"I was a partner with CRONIN who was "cut out. I thought I would receive his "share but I did not."

Was any investigation made with respect to Mr. Cronin?

A. I think someone spoke to Mr. Cronin after this and after the Wright arrest; questioned him and made inquiries into the allegation.

Q. Do you know who that was?

A. Either Sergeant Anderson or Chief

Inspector Graham.

Q. Are these the only two you think it could have been?

A. I think so.

Q. But you don't know the results of that, do you?

A. I can't recall any.

Q. Finally, with respect to this report on page 3 under paragraph F:

"When the big investigation at Hamilton "was being wound up at Hamilton and the "Branch drew men from the Districts for "the raids, Inspector SMITHER phoned "several people including Joe McDermott "and told them what he knew."

Did you consider this as a serious allegation as well?

A. Yes, I did.

Q. Mr. Clark, the reason I have read all these reports to you is that leading up to the meeting with the Deputy Attorney-General and the Attorney-General on May 11th, at that time I suggest to you that allegations had been made against Mr. Wright, Mr. Lawrence, Mr. Lamorie, Mr. Cronin, Mr. Bartlett, Mr. Stringer, some M.P. in the Peninsula and some Assistant Crown Attorney, and I believe the Minister of Mines. Now, didn't you feel that the first investigation was widening out? Didn't you consider it very serious?

A. All of the allegations were considered serious by me when I received the reports.

Q. Well, if you thought they were so serious, didn't you make any representation to the Deputy Attorney-General or to the Minister to permit the investigation to continue?

A. I feel I brought it to the attention of the Deputy Attorney-General. I feel that I did but I can't say positively that I did.

Q. Did you make any representation that in your opinion it was not time to terminate the investigation?

A. No, I did not.

Q. Did you not think it was important to continue -- To permit this investigation to continue in the light of the allegations coming out?

A. The entire matter was important to me and at the time that the meeting was held for the consideration as to what the charges against Wright would be that was all I was interested in; whether or not charges should be laid against Wright.

Q. Well, why was it only Mr. Wright you were interested in?

THE COMMISSIONER: Q. You thought you had the evidence against Wright?

A. Definitely, sir.

Q. You did not think you had enough evidence on the others?

A. That's true. That's correct.

MR. SCOTT:

Q. Why didn't you feel - if you did not have the evidence on the others -didn't you feel it important to continue the investigation into the activities of Scott to see if you could get the evidence on the others?

A. I'll answer that this way: The decision was made to lay charges against Wright; it was my feeling that there was sufficient evidence of some charge. There was sufficient evidence for charges against thepayee or the payor - either one.

Q. What about the allegations against all these other people? For example, Mr. Bartlett, and the other members of the squad? Didn't you think that important to permit the investigation to continue to try and get evidence, if it existed, or to clear them if it did not?

A. Not insofar as these other names are concerned. Sooner or later that matter would be cleaned up.

Q. You think the investigation was being stopped?

A. It wasn't only this investigation that might reveal guilt or otherwise.

Q. Wasn's this investigation of Scott's the only way that you had been able to

get evidence against Wright?

A. That's true.

Q. And the only method of these allegations coming out?

A. That's true.

Q. Wasn't it the most successful - on your estimation - to obtain information with respect to the McDermott-Feeley group?

A. It was successful, most successful insofar as Wright is concerned.

Q. And wasn't it also the most successful in bringing the matter, the whole matter, to light?

THE COMMISSIONER: What whole matter?

MR. SCOTT: The whole matter being the subject of Scott's reports.

THE WITNESS: They were all charges laid subsequent to the Wright arrest. Last week there were convictions registered against McDermott and Feeley.

MR. SCOTT: Yes.

A. All as a result of this investigation.

Q. The other thing I want to ask you: In your opinion, these subsequent reports of Scott's, in your judgment, do they indicate that the McDermott and Feeley group were unaware that Scott was an undercover agent?

A. I don't think they were at all until the Wright arrest.

Q. Is it fair to say that if a senior official of the Attorney-General's Department knew of Scott's activity on March 3rd, obviously the information wasn't being fed back from that source to the gamblers Feeley and McDermott?

THE COMMISSIONER: Would you repeat that?

MR. SCOTT: Q. If a senior official of the Attorney-General's Department knew on March 3rd of Scott's x undercover activities, then no information from that source was fed back to the gamblers?

THE COMMISSIONER: The witness has just said in his opinion McDermott and Feeley didn't know at any time that Scott was an undercover man until Wright was arrested.

MR. SCOTT: Q. It is obvious, then, they were not getting any information?

A. From any source?

Q. From any source in the Attorney-General's Department.

THE COMMISSIONER: Or elsewhere.

MR. SCOTT: Q. Or elsewhere.

A. That's true.

Q. Now, after the meeting of May 11th and subsequent reports continued to come in from Mr. Scott - have you got them? - in the 9th report dated May 23rd, 1960 on page 1 under Friday May 13, paragraph B. I think that

is the reference to Mr. Comson - I will let that go for a moment. Page 2 under the heading of Tuesday, May 17, under paragraph A:

"(a) Deputy Commissioner Bartlett "received money from Joe McDERMOTT for "advising him when he signs a search "warrant relating to the clubs. At some "time in the past Deputy Bartlett "received $2000.00 from JoedMcDermott "for the aforementioned reason, this "taking place at a party attended by "the Deputy, Jim Maloney and Joe "McDERMOTT."

Was any investigation done as a result of this allegation to your knowledge?

A. This is the item that I discussed with the Deputy Commissioner, and he maintains he wasn't at any group or party with those particular persons and that he never received two thousand dollars, and he had nothing to be afraid of.

Q. Is that the sole investigation made - just asking?

A. That's right.

(Page 1472 follows)

Q. And under paragraph (c):

"P.C. Lawrence and P.C. Lamorie are "receiving $500.00 per month for "their 'patches' included in which "is $200.00 per month from Joe "McDermott for supplying information "regarding the clubs."

A. Yes.

Q. And again I would suggest to you that it is a serious allegation against two members of the Anti-Gambling Squad. What investigations were made to follow up this matter?

A. They were questioned by me on the day, or the second day - that would be the 30th May - and one of them - which one I can't recall - after a few minutes of questioning said he had nothing to say on the advice of his lawyer. I asked him who his lawyer was, and he said David Humphrey.

Q. Then, under subsection (i) ---

THE COMMISSIONER: Just a moment.

MR. SCOTT: I am sorry.

THE COMMISSIONER: Wright was arrested on Saturday, was he not?

A. That is correct, my lord.

Q. Yes, and which one of these two other officers, Lamorie and Lawrence, were called in on Sunday?

A. Lawrence, my lord.

Q. And which one of the two said he had nothing to say?

A. Either one. I can't recall which one said it. I think it was Lawrence, but I am not too sure of that.

Q. And he was the one called in on Sunday?

A. That is correct.

Q. Did he know why he was being called in?

A. No, not until he was called in.

Q. No, but was he - did you notify him on Sunday to come in on Sunday?

A. Yes, that is right, that morning. We notified him on Sunday morning to come in on Sunday morning.

Q. What time in the morning did you call him?

A. Between nine and ten, I would think, my lord.

Q. What did you say to him?

A. Can I read ——

Q. You may refer to your notes, yes, if you wish.

A. Thank you.

Q. What did you say to him when you called him?

A. To report at Headquarters.

Q. Did you tell him why?

A. No, sir, not then.

Q. And which one of the two would be had morning to say?

A. Either one. I can't usually write one half so. I guess it was Lawrence, but I do not too much of both.

Q. Did by the fire you talking in on Sunday?

A. That's a in morning.

Q. Did he know why he was being called in?

A. No, not until he was called in.

Q. But had you a did you usually, in morning, in come in on Sunday?

A. Yes, that is right, that morning. He was in on Sunday morning to come in on Sunday morning.

Q. What time in the morning did you call Lawrence?

A. Somewhere nine and ten. I would guess, on Sunday.

Q. [illegible]

A. Yes I said —

Q. You say talks to your wife, is it not?

A. Yes.

Q. What did you say to him when you talking that

A. To report at Lawrence.

Q. Did you tell him why?

A. [illegible]

Q. And so far as you know, then, he would not know why you were calling him down?

A. No, he would not.

Q. Did he then know that Wright had been arrested?

A. Not to my knowledge he didn't. He may have, my lord, but I have no knowledge of him knowing that.

Q. I was just wondering when he would get advice from his lawyer.

A. May I have the other statement?

MR. MacKINNON: It was P.C. Lamorie.

THE COMMISSIONER: Lamorie?

MR. MacKINNON: Yes.

THE COMMISSIONER: You suspended him on Sunday?

A. Yes.

Q. And you had Lamorie called in on Monday?

A. Yes, that is correct.

Q. And it was Lamorie who said he had nothing to say?

A. Yes.

Q. That he had seen his lawyer?

A. That is true.

Q. And not Lawrence?

A. That is true.

Q. All right.

A. I may say, my lord, that as a result of the questioning by myself and Assistant

Q. Do you know why you were building this house?

A. No, he would not.

Q. Did he know that it would be your permanent home?

A. That he only hoped (Q.A.).

Q. Now, my lord, but I have no knowledge of his working here.

Q. I was just wondering when he would not advise from his lawyer.

A. Yes, I know the other (Q.A.).

MR. THOMPSON: It was I.E. [illegible].

MR. [illegible]: [illegible]

MR. THOMPSON: Yes.

MR. [illegible]: Yes, Mr. Commissioner, the [illegible] on Monday.

Q. Yes.

Q. And you had [illegible] called in on [illegible]?

A. Yes, that is correct.

Q. And if you [illegible] [illegible] had nothing to say?

A. No.

Q. Then he has seen his lawyer?

A. That is true.

Q. And not [illegible]?

A. That is true.

Q. [illegible]

Q. [illegible] (Q.A.), [illegible] [illegible]

Commissioner Kennedy, Lawrence called Scott on May 29th - May 29th, I should say - at approximately 11 a.m.

Q. That is on Sunday?

A. Yes, the same day as he was suspended.

Q. Yes.

A. He called Scott on the telephone, and as a result of that this memorandum came into being.

Q. That is Scott's later memorandum?

A. That is the final memorandum.

THE COMMISSIONER: Have you much more, Mr. Scott?

MR. SCOTT: A good deal, I think.

THE COMMISSIONER: Perhaps we should have a ten-minute recess now.

---- Whereupon the Commission recessed for ten minutes.

---- Upon resuming at 4.15 p.m.

THE COMMISSIONER: Yes, Mr. Scott.

MR. SCOTT: Mr. Clark, still referring to Constable Scott's 9th report on May 23rd, at page 2, under the heading of Tuesday, May 17th, subsection (i), there is this:

"P.C. Wright feels quite bad about "the disappearance of Script Mitchell "because he told Joe McDermott that

"Mitchell was talking too much
"and McDermott agreed. Wright said
"he had heard that Mitchell was
"still alive running a fruit stand
"somewhere."

Do you know anything about Script Mitchell?

A. I understand that enquiries have been made and that Script Mitchell is listed as a missing person in the Niagara Falls Police Department.

Q. Is there any further information than that? Has there been any investigation as to what might have happened to him?

A. No.

Q. And then, finally, coming to the 10th report, dated May 27th, under the heading Thursday, May 26th, there is this:

"At 5 p.m. of this day, in company
"with Constables Lawrence and Lamorie
"I went to the gaming house in which
"Constable Lawrence has an interest.
"This club is located at 11 Leader
"Lane almost adjacent to the King
"Edward Hotel. It is listed in the
"phone book as Alpine Bridge & Social
"Club. At this time the club comprises
"one room. I am informed by P.C.
"Lawrence that they have an option
"on two more rooms which connect to

"that which they have now. The
"club is outfitted with a poker
"table, several chairs, fishing rods,
"boat paddle, duck decoys and much
"literature and wild life. This
"fellow (Lawrence) is actually putting
"into practice the knowledge which he
"has gained on this Branch with
"respect to setting up a social club
"to front for a common gaming house.
"Lawrence asked me to go to the club
"and look at it and give my opinion
"as to how to avoid prosecution. The
"2 persons who are in partnership
"with Lawrence are persons named
"Taylor and Kibble (/). I am informed
"by Lawrence that both of these persons
"have been convicted of gambling offences."

Now, was any investigation made of the Alpine Bridge & Social Club?

A. There was. It was a one-roomed, decrepit place up some flights of stairs, located in or on Leader Lane, and it was operated, I think - I am told, by a relative of Lawrence's, possibly his uncle.

Q. What form did this investigation take?

A. This information came to me, or the information I am relating came to me as a result of a hearing conducted by myself, when two

other members of the same squad were charged under the provisions of the Code of Discipline under the Police Act.

Q. What other members?

A. A man named Kobelka, and Vertolli, I think, was the other.

Q. And what were they charged with at that time?

A. That they had been in the Alpine Club with Lawrence and/or Lamorie and had failed to report, as was their duty to do, that they had been in what I alleged was a gaming house.

Q. I was not quite clear as to the investigation of this. Was it just one visit made to the premises?

A. By whom?

Q. By anybody. Well, first of all, did anybody visit the premises on your instructions?

A. No, they didn't, but I understand Metro Police did.

Q. Did they conduct in there just a one-visit investigation, to your knowledge?

A. I couldn't say, no. I don't know.

Q. I only want to put one last question to you, Mr. Clark. You told us that P.C. Kobelka and P.C. Vertolli were also charged under the Police Act with visiting these premises?

A. That is correct.

Q. And did they admit that they had

played poker at this club?

A. One of them did.

Q. Which one?

A. I can't recall. One of the did, and there was a rake-off.

Q. These charges that were laid against P.C.s Kobelka and Vertolli, did they arise out of the allegations ---

A. Out of the contents of these reports, the one you have just read, I think, Thursday, May 26th.

Q. This is the report made on the 23rd, under the heading Tuesday, May 18th.

A. No, not Thursday, May 26th, a report dated May 27th where the Alpine Bridge and Social Club is mentioned.

Q. Yes, I see. I was referring, Mr. Clark, to the 9th report, dated May 23rd, 1960.

THE COMMISSIONER: You were referring to the May 27th report.

MR. SCOTT: Well, I am now referring to the May 23rd report, the third page, under the heading Tuesday, May 18th, first of all, Section (d):

"P.C. Lawrence is a partner in the "gaming house called the Alpine Bridge "and Social Club. The club runs a "poker game on the weekends and takes "a rake-off from the pot. At this time

"the club is making about $300 on
"a weekend."

Paragraph (e):

"T.C. Kobelka has played poker at
"the club and also bets with a book-
"maker."

Paragraph (f):

"P.C. Vertolli has played at a poker
"game where a rake-off was taken."

The question I was asking you was, were charges against P.C.s Kobelka and Vertolli laid as a result of this allegation?

A. That is right.

Q. And they proved to be true at least in one respect?

A. Yes, I think they pleaded guilty to the charge, as I recall it.

THE COMMISSIONER: That was an investigation under the Police Act?

A. That is true, my lord.

MR. SCOTT: And what happened to them?

A. Severely reprimanded and transferred to two separate parts of the Province.

Q. Both were transferred?

A. That is correct.

Q. Well, finally, Mr. Clark, I just want to ask you one further question. After the arrest of Wright and the subsequent reports came in containing allegations against other members of the Force, did you not have - did you not think

it advisable to continue this investigation rather than stop with Wright?

A. No, I did not.

Q. Not at any time?

A. No.

Q. Thank you.

THE COMMISSIONER: Mr. Wilson ...?

MR. WILSON: Thank you.

BY MR. WILSON:

Q. Do I understand your position that as long as Scott was carrying on his under-cover activities, you did not think it proper to have any collateral or other investigation going on in respect to any of the matters disclosed in these reports?

A. That is true.

MR. MacKINNON: I advised Mr. Wilson that there were two questions I had overlooked earlier.

MR. WILSON: Yes, that is so. I am very sorry.

MR. MacKINNON: I did not notice that Mr. Scott has sat down.

MR. WILSON: Perhaps you would care to put them now.

MR. MacKINNON: Yes.

BY MR. MacKINNON:

Q. The first question, Mr. Commissioner, is this. Did Mr. Scott - Constable Scott - ever indicate to you or in any of the reports you received that he was in fear of injury and wished to discontinue his investigation for that reason?

A. No, I don't know. I can't recall him ever bringing that up.

Q. And so far as you are aware, he did not advise anyone else of that, or of being in fear for his own safety?

A. Not to my knowledge. He may have, but not to my knowledge.

Q. Then in Hansard for December 11th, 1961, at page 2[illegible], the Premier of the Province made this statement:

"In connection with the ordering of "the prosecutions, I can say that the "Deputy Attorney-General advised the "Hon. Attorney-General early in May "to lay charges as a result of informa- "tion received. There was, however, a "request that the investigation be "continued and therefore the laying

Cross-Examination (Cont.)

Cross-Examination

Q. The Court Questions: Mr. Cunningham, in this case, did Mr. Morris - Reasonable doubt - ever indicate to you or in any of the conversations you received that he was in fear of injury and wished to discontinue his investigation for that reason?

A. No, I don't know. I don't remember his ever indicating that to.

Q. And so then as you was answering he did not address himself to that, or at least in fear for his own safety?

A. Not to my knowledge. In my opinion, not not to my knowledge.

Q. Then in reference to Defendant's Exhibit, as also 3-4, the letter of the previous week this pronouncement:

"In connection with the counsel of "the prosecutions, I can say that the "Legal Department-General entered the "case. A Court-Martial could in the "to lay charges on a number of patrol-"men involved. There was, however, a "minimal but commendable in "Washington for the serious

"of the charge was deferred until

"May 27th."

Did you at any time make any request to delay the laying of the charge?

A. With the comment on May 11th by the Attorney-General that charges should be laid, I recall, before I left his office, saying that I would permit the investigation to continue until the end of the month, at which time charges would be laid on the arrest of Wright.

Q. Was that made as a request by you?

A. No, it was a statement by me to the Attorney-General and the Deputy.

Q. It was a statement of what you intended to do?

A. That is correct.

Q. And do you know whether a request was made by anyone that the investigation be continued?

A. No, I don't.

(Page 1484 follows)

MR MACKINNON: Q. And there is just one other item that I intended to refer you to. This is in the 8th report, dated May 9th, 1960, on the last page, page 3. It is (j):

"Pppalia from Hamilton has an "interest in the club at St. Catharines. "The Papalia family of Hamilton are "said to control much of the gambling "in that city".

Were you familiar with the name "Papalia" at this stage?

A. No, I wasn't.

Q. Was any investigation made of this particular allegation?

A. Not by me, nor on my instructions, sir.

Q. Did you discuss Papalia at a later stage with Inspector Graham?

A. Not that I can recall. I don't think I did.

MR MACKINNON: Thank you.

THE COMMISSIONER: Q. There is one matter I want to get clear. Once Wright was arrested it would become known of course that he had been an undercover man?

A. It would be known, my lord, that Scott was an undercover man.

Q. Yes, Scott.

A. Yes, I think it would become known.

Mr. Clark 1001

an investigator. Q. And there is just one other item that I intended to ask you on. This is in the 6th report, dated May 6th, 1948, on the last page, page 3. It is (1):

"Propaganda from Manilla has an

"interest in the rice in Sorsogon.

"The Responsibility of Manilla was

"used to control much of the quality

"in that city".

Were you familiar with the name "Propaganda" at that time?

A. No, I wasn't.

Q. Was any investigation made of

the particular allegation?

A. Not by me, nor on my instructions, sir.

Q. Did you discuss Propaganda at a

labor strike with Inspector Gaslan?

A. Not that I can recall. I don't think I did.

MR MACKINNON: Thank you.

THE CHAIRMAN: Q. There is one matter I want to get clear. Once Wright was arrested it would become known of course that he had been an undercover man?

A. It would be known, my lord, that Wright was an undercover man.

Q. Yes, Sir.

A. Yes. I think it would become known.

Q. Then it would have been rather futile to try to have Scott carry on with further investigation?

A. It would have, yes.

EXAMINED BY MR WILSON:

Q. After Wright's arrest you assigned Staff Inspector Graham to investigate the matters appearing in these reports?

A. That is correct.

Q. And he has spent most of his time since May 28th, 1960, doing that very thing?

A. Yes, he has.

Q. And is still doing it?

A. Yes.

Q. Now, isn't it a fact that it was some months after May 28th, 1960, before Staff Inspector Graham had unearthed what he considered to be evidence which would support a claim or a prosecution against Wright, Feeley and McDermott jointly?

A. That is correct.

Q. I now have obtained the warrant for the 5th of May, 1960, and that is a warrant to search the Ramsay Club, 1648 Stanley Avenue

Q. Then it would have been taken further on in the business dealings of the business, in the business transactions?

A. It would have been.

MARKED FOR IDENTIFICATION

Q. Have Ralph's account been examined by State Inspector Gordon to investigate the matters appearing in these documents?

A. That is correct.

Q. And he has spent much of his time, since and May, 1960, doing that work, namely?

A. Yes, he has.

Q. And is still doing it?

A. Yes.

Q. Now, let's go a few steps back in and see (make sure) the life, they have been Essex Insurance Gordon has undertaken when he commenced to do evidence which would support a claim or a prosecution against Ralph, namely and Mathewson jointly?

A. That is correct.

Q. I now have obtained the warrant for the 3rd of May, 1960, and that is a warrant to search the Lowell Club, that correct?

in Niagara Falls. I see it is given under the hand of -- what is it?

A. James Bartlett.

Q. As justice of the peace?

A. That is true.

THE COMMISSIONER: What date is that?

MR WILSON: That is dated the 5th of May, 1960.

-----EXHIBIT NO. 86: Warrant to search Ramsay Club, dated May 5, 1960.

MR WILSON: Q. After you received Anderson's report with regard to certain statements alleged to have been made by Stewart Fleming of St. Catharines did you write to Stewart Fleming?

A. No, I did not.

Q. I show you a letter of June 1st, a copy of a letter of June 1st. Is that a copy of a letter written by you?

A. That is correct. I couldn't recall it.

Q. You wrote to him and asked for specific information from him to enable you to conduct an investigation?

A. That is correct.

Q. And he wrote back and said that as the matter was sub judice he couldn't deal with it?

in Georgia [illegible]. I mean is it given under that

head of -- what is it?

[illegible] Green Subsidiary.

Q. [illegible] in the Department

A. Week in March.

THE CHAIRMAN: Right there [illegible]

WITNESS:

A. [illegible] Week in March the 8th or

[illegible] 1988.

[illegible] Exhibit No. [illegible]
Chm. [illegible] May 5, 1984.

Q. Did you [illegible]

[illegible] with Exhibit [illegible]

[illegible] allowed to have been made by Grumman

Planning on 88. Conversations did you [illegible] to Grumman

Planning?

A. No. I did not.

Q. I show you a letter of June 1st,

a copy of a letter of June 1st. Is that a copy

of a letter written by you?

A. Yes in character. I wouldn't

recall it.

Q. You broke in the last [illegible]

[illegible] information [illegible] to enable you to

[illegible] in [illegible]?

A. Yes in character.

Q. Did in write back and said that

as the matter was sub judice [illegible]

deal with it?

A. That is correct.

Q. You wrote him again on July 16th and again asked for an immediate reply. I take it you never received one?

A. That is true.

Q. As a result of that you sent Staff Inspector Whitely over to interview him, and that resulted in the report that he made, Exhibit 85. And I see in the first paragraph of Exhibit 85 that Mr Fleming advised Inspector Whitely that rather than answer your last letter he was intending to visit Toronto in the near future and he was going to pay you a visit. Did he ever pay you a visit?

A. No, he did not.

Q. In this report made by Inspector Whitely, in the third paragraph, he says Mr Fleming went on to advise that if they had walked in with a request to look at these records, and that would be the records of the Ramsay Club, he would have gladly assisted them. When they produced a search warrant he became annoyed and would not assist them and in fact told them not to touch any other records. And when Sgt. Anderson said "I thought you would co-operate with us" he told him "Why should I co-operate? From what I hear you are a stooge of McDermott's". And then it goes on. This aspect was further discussed and Mr Fleming was

A. That is correct.

Q. You wrote him again on July 10th and again asked for an immediate reply. Did you ever receive one?

A. That is true.

Q. On a Friday or Saturday you said Inspector Murphy came to interview him, and that resulted in the report that he really repeated it. Did I see in the Clerk Pecorari is ready to show Mr Vlentine National Insurance Policy that months ago Pecorari had been interfering to which Toronto is the last time and he was going to put you a stack. Did he ever pay you a visit?

A. No, he did not.

Q. In this report made by Inspector Murray, in the third paragraph, he says he finding work on to advise that if they had walked in with a request to look at those records, and that would be the result of the Massey case, we would have slightly varished them. When they withdrew a search warrant to Pecorari and would not receive them and in fact told them not to touch any other records. And then, Mr. Robinson, did I understand you would communicate with me? He told him "Why should I communicate with me" he said "Because I am a citizen of Mississippi". And then it goes on. Mr. Lapoint was further discussed and Mr Vlentine was

not sure whether he said "From what I am led to believe you are a stooge of McDermott's" or "My impression is that you are a stooge of McDermott's". Then from there on it deals with the relationship of McDermott ---

I don't know, Mr Commissioner, whether you want the rest of it read. It deals then with Mr Fleming's interpretation of the relationship of McDermott ---

THE COMMISSIONER: I read it but I have forgotten it for the moment. Just a moment until I look at it.

MR WILSON: Q. Well, after receiving that report you were of the opinion that there was no reason to permit Anderson to institute a civil action?

A. That is true, sir.

MR WILSON: That is all, sir. Thank you.

---(Witness withdraws).

MR WILSON: I will call now Assistant Commissioner Kennedy.

WARD KENNEDY, Sworn

EXAMINED BY MR WILSON:

Q. You are Assistant Commissioner of the Ontario Provincial Police?

A. Yes, sir.

Q. You were appointed to that post on August 1st, 1958?

A. Yes, sir.

Q. You joined the force in October of 1931?

A. Yes, sir.

Q. I understand the anti-gambling squad has been under your supervision since your appointment on August 1st, 1958?

A. That's right, sir.

Q. You have heard the evidence of Commissioner Clark with regard to the first visit he had with regard to Wright's approach to George Scott?

A. Yes, sir.

Q. So far as the events that he has related, is there anything additional that you want to add or do you agree with his statement of the meeting between Anderson, yourself and himself, and the decision to

carry on, to allow Scott to carry on with this undercover work?

A. Yes, sir; I would say materially it is the same as I could give myself.

Q. Apart from reports 9 and 10, these reports would come from Scott to Anderson to you and then from you to the Commissioner; is that right?

A. 1 to 8 inclusive came to me, sir.

Q. 9 and 10 were while you were away?

A. Before I left, sir, I arranged with Anderson to see that Scott's report went to the Commissioner.

Q. Did you have anything to do with the decision that was made to arrest Wright?

A. No, sir.

Q. Or have him arrested?

A. No. After a discussion with the Commissioner, I was present when Inspector Graham of the Criminal Investigation Branch was called in and briefed.

Q. Were you present with the Commissioner at the interview of Constables Lawrence and Lamorie?

A. Yes, sir.

Q. Were you the one who made the

many so, to allow Scott to keep at work this accounting error?

A. Yes, sir; I would say naturally it is the same as I could give myself.

Q. Look down exhibits 9 and 10. Does Exhibit 9 show that Scott to Bowman to you and then from you to the commissioner as that right?

A. I to Commissioner came to me, sir.

Q. 9 and 10 were while you were away?

A. Before I left, sir, I arranged with Bowman to see that Scott's report went to the Commissioner.

Q. Had you been anything to do with the shortage that you made to account original?

A. No, sir.

Q. Do have him arrested?

A. No. After a discussion with the Commissioner, I was personally your inspector because of the criminal prosecution feeling on hand in had liability.

Q. Have you present with the commissioner at the interview of Commissioner and Liability?

A. Yes, sir.

Q. Have you the one the book and

notes of the interviews?

A. Yes, sir.

Q. Is this document I now show you a copy of the notes you made on May 29th, 1960, of the interview the Commissioner and yourself had with Lawrence?

A. It is, sir.

MR WILSON: That has been referred to but has not been filed, Mr Commissioner, I don't believe.

THE COMMISSIONER: Exhibit 87, the interview with Lawrence.

-----EXHIBIT NO. 87: Notes of Interview with Constable Lawrence, May 29, 1960.

MR WILSON: Q. Is this document I show you a copy of the notes you made at the time of the interview by the Commissioner and yourself of Constable Lamorie on May 30th, 1960?

A. It is, sir.

THE COMMISSIONER: That will be Exhibit No. 88.

-----EXHIBIT NO. 88: Notes of interview with Constable Lamorie, May 30, 1960.

MR WILSON: Q. I notice in the notes you have made as to Lamorie he said he was acting on the advice of David Humphrey?

A. That's right, sir.

Q. What about the formal notice of suspension and the resignations, what were the facts in regard to the resignations?

cases of the [illegible]?

A. Yes, sir.

Q. Is this document I now show you a copy of the notice you sent on July 26, 1960, of the interview the Commissioners and [illegible] had with [illegible]?

A. It is, sir.

MR. [illegible]: This has been referred to but has not been filed, the Commissioner, I don't believe.

THE COMMISSIONER: Exhibit 27, the interview with Dawson.

——EXHIBIT NO. 27: Copy of interview with [illegible], July 26, 1960.

MR. WILSON: Is this document I show you a copy of the notice you sent to the size of the interview by the Commissioner and Dawson of Constable Lawrie on May 30th, 1960?

A. It is, sir.

THE COMMISSIONER: Then call it Exhibit No. 28.

——EXHIBIT NO. 28: Copy of interview with Constable Lawrie, May 30, 1960.

MR. WILSON: Q. I notice in this notice you have made as to inquiry be paid to was going on the advice of Board Commissioner?

A. That's right, sir.

Q. What about the Board Notice of suspension and the resignation, what were the facts in regard to the suspension?

A. Insofar as Lawrence is concerned, sir, on Sunday, May 29th, he was advised verbally by the Commissioner that he was under suspension. On the following day when Lamorie was interviewed, following the termination of the interview he too was told by the Commissioner he was under suspension.

Subsequently, as provided under the provisions of the Police Act, a written notice was delivered to them.

THE COMMISSIONER: Q. Of their suspension, you mean?

A. Yes, sir.

MR WILSON: Q. Did they both immediately produce a resignation?

A. So I am told. So Sgt. Anderson who served the notice of suspension upon them reported.

Q. And were the resignations in identical form or did you see them?

A. I may have seen them, sir, but I cannot say whether they were in identical form or not.

Q. Apart from the information in the Scott reports did either the Commissioner or yourself have any other reason to believe that Lamorie and Lawrence were engaged in any improper activities?

A. I certainly had none and I feel quite safe in saying that the Commissioner

A. Another on Lawrence in connection, sir, on August, July 1945, he was retained voluntarily by the commissioner then he was under commission. On the following day when Lawrence was discharged, following the termination of the Executive he was paid by the Commissioner he was under payments.

Subsequently, as provided under the provisions of the Italian Act, a training bonus was delivered to them.

Q. Do you consider it of their training bonus you mean?

A. Yes, sir.

Q. Did they also receive immediately pension i rentiqualiti?

A. Or i ex ital. or ex. soldiers who earned the notion of compensation upon their commission.

Q. And were the conditions in Lawrence Zone or did you see them?

A. I may have seen them, sir, but I cannot say whether they were in Libertad Zone or not.

Q. Apart from the information in the Zone reports did either the Commissioner or yourself ever say where camps in Italian Zone Libertad and Lawrence were located in the Lagunes territory?

A. I certainly had seen and I did only under in saying that the Commissioner

had none.

Q. In carrying out your duties as supervisor of the anti-gambling squad what part did you play in any questions of policy?

A. In matters of policy we are directed by the Commissioner. I would confer with the Commissioner on any matter that might be considered out of the routine. I would consult with the Commissioner and then pass the direction usually verbally on to Sergeant Anderson.

Q. I want to be clear about this. Did you have any dealings directly with anybody in the Attorney-General's department in connection with matters of policy?

A. No, sir.

Q. I take it though you have, over the thirty years, had some dealings with senior legal personnel in the Attorney-General's department?

A. Yes, sir.

Q. What has your experience been in that regard?

THE COMMISSIONER: In what respect?

MR WILSON: Q. Well, have you ever had any knowledge at any time of any improper actions on the part of any senior legal personnel in the Attorney-General's department?

A. Certainly not, sir.

had done.

Q. In carrying out your duties as Secretary of the Interdepartmental Legal Committee did you play in any questions of policy?

A. In matters of policy we were directed by the Commissioner. I would consider that the Committee in my review was minor in comparison but of the writing. I would usually give the Commissioner the issue and the direction usually verbally as to Government decisions.

Q. I want to be clear about this. Did you have any dealings directly with anyone in the Attorney-General's department in connection with matters of policy?

A. Yes, sir.

Q. I mean in things you have seen the Barwick years, had some dealings with senior legal personnel in the Attorney-General's department?

A. Yes, sir.

Q. Have you experience been in that viewpoint?

MR. COMMISSIONER: In what respect?

MR. KIRKHAM: Q. Well, have you ever had any knowledge of any case in an improper manner in the hand of any senior legal personnel in the Attorney-General's department?

A. Certainly not, sir.

Q. Has there been any interference by any senior legal personnel in the Attorney-General's department with the carrying out by you of your duties as a member of the Ontario Provincial Police?

A. There has never been any incident, sir, where any person has interfered with me in the carrying out of my duties. There might -- some of us in connection with the gambling squad might have liked a little broader policy on pin-ball machines but I didn't consider that interference.

Q. Well, that, I take it, was possibly a disagreement by yourself and some other members of the force, or in the anti-gambling branch, with the policies laid down by the Attorney-General's department in that regard?

A. We would like to have had it a little broader in the seizure of them possibly but it wasn't considered -- I didn't consider it in the nature of preventing us from doing a specific duty.

Q. In that connection did you ever have any meetings with anybody in the Attorney-General's department on this pin-ball policy?

A. No, sir, definitely not.

Q. Did you have any meetings with the Commissioner on the question where you took a stand on the question of policy in regard to

Q. Did there ever come a time when you felt that the Attorney-General's Department was the appropriate place to deal with the complaint of your letter on a number of the Commonwealth's activities?

A. There has never been any incident, etc., which my position has introduced with me in the carrying out of my duties. There might — some of us in Commonwealth with the position would make have liked a little broader policy or personal questions but I didn't consider that important.

Q. Well, that, I take it, was possibly a disagreement by Ministers and some other members of the Senate, or in the anti-communist groups, with the policies laid down by the Attorney-General's Department in those records?

A. We would like to have had it a little broader in the exercise of them possibly but it wasn't considered — I didn't consider it is the nature of preventing us from doing a specific duty.

Q. In that connection did you ever have any conflict with anybody in the Attorney-General's Department on this anti-Communist matter?

A. No, not, definitely not.

Q. Did you have any meetings with the Commissioner in the Service where you took a stand on the question of policy or support of

these pin-ball machines?

A. No. I had Anderson submit reports which were forwarded to the Commissioner.

Q. From there on what part did you play in any discussions that took place between the Commissioner and the Attorney-General's department?

A. I took no part, sir.

Q. So that first-hand, I take it, you cannot help us as to the discussions that occurred in regard to pin-ball machines?

A. I don't know of any discussions that occurred even between the Commissioner and the Attorney-General's department. I know of a couple of memos that were forwarded to the Attorney-General's department by the Commissioner in that respect.

Q. Would this be during the period that the present Commissioner held the post as Commissioner or prior to that time?

A. Oh no, it would be during Mr Clark's regime.

Q. That would be back in 1956 and 1959, wouldn't it?

A. No, sir.

Q. Oh, since then?

A. No, sir, during Mr Clark's regime.

Q. What year would this be?

A. Well, there was one directive

in 1959 regarding slot machines, pin-ball machines.

Q. Yes. Did these directives or memorandums come to you or did they come to the Commissioner?

A. They came to me, but they were only---

MR WILSON: I'm sorry, Mr Commissioner; I would have brought this up with the last witness if I had known about it. I think he is the man to tell us about it rather than this witness.

Q. You only know about it second-hand?

A. I received copies of the memoranda, sir.

MR WILSON: Well, possibly I could recall Commissioner Clark on that.

THE COMMISSIONER: All right.

MR WILSON: I think that is all I want at this point with this witness.

THE COMMISSIONER: Mr MacKinnon?

MR MACKINNON: Thank you, Mr Commissioner, just a few questions.

EXAMINED BY MR MacKINNON:

Q. Did you have anything to do with the anti-gambling squad prior to your appointment on August 1st, 1958?

A. No, sir. I will have to qualify that to say that I was a member of the anti-gambling squad when it was first formed in 1942 for a very few months.

Q. But in 1954 and in 1957 you had no connection with the anti-gambling squad?

A. Absolutely none.

Q. Did you know Inspector Tomlinson?

A. Yes.

Q. Did you ever have any discussion with him as to his problems in the anti-gambling work he was doing when he was head of the squad?

A. No, sir; I have no recollection of Mr Tomlinson ever discussing it.

Q. With regard to this investigation by Constable Scott when were you advised that this investigation was going to be terminated?

A. Well, I cannot say that I was ever told it was going to be terminated, sir. I knew when Wright was going to be arrested, that there was a tentative date set for his arrest.

Cross-Examination by Mr. Gwynne.

Q. Did you have anything to do with the conveyancing legal work in your department at Sydney Bar, 1922?

A. No, sir. I will have to qualify that to say that I was a member of the conveyancing equal when it was first formed in 1922 for a very few months.

Q. But in June and in July you had no connection with the conveyancing work?

A. Absolutely none.

Q. Did you know Ingredone?

Questioned:

A. Yes.

Q. Had you ever been any discussion with him on the pole problem in the conveyancing work he was doing when he was head of the equal?

A. No, that is MOST DEFINITELY of no Commission ever discussing it.

Q. Had regard to this investigation by Commissioner Scott when were you advised that this investigation was going to be terminated?

A. Well, I cannot say that I was ever told it was going to be terminated, sir. I know when Knight was going to be arrested. And there was a instruction that had to be

Q. When were you told that?

A. I cannot tell you the exact date. I left Toronto on another matter some time around the 24th of May and I also knew, I think it was May 1st, that Graham was briefed by the Commissioner in my presence. I believe at that time that I knew the date of his - that it was set for the end of May.

Q. Do you keep a police diary?

A. I do.

Q. Would you have your 1960 police diary with you?

A. I have no diaries with me, sir.

MR MACKINNON: I wonder, Mr Commissioner, if we might have that?

THE COMMISSIONER: Q. I believe they are available?

A. They are available.

MR MACKINNON: Q. I would like to have a look at that first before I proceed with you, Mr Kennedy, as to certain aspects of this investigation.

I note in the 6th report P.C. Scott is reporting on what Wright told him on Tuesday April 12th. There are a great many items. In item No. 27 he says:

"Humphrey was in to see Assistant "Commissioner Kennedy regarding the "threats of Gardiner to expose the

Q. Where were you when Hoff

A. I cannot tell you the exact

date. I was passing on another motor car

when received the news of my son I also know.

(Witn. is new cut off, but proceed the Criminal

Case number six as my witness. I believe

at that time that I have the date of his -

that was not for the end of May.

Q. Do you keep a police diary?

A. I do.

Q. Would you have your diary

diary with you?

A. I have no diary with me,

sir.

Q. Cross-examined. I member, Mr Commissioner,

if we might have that?

Mr Commissioner. Q. I believe they

are available?

A. They are available.

Mr Commissioner. Q. I would like to have

a look at that first before I proceed with you.

Mr Kennedy, on the certain expense of this

investigation.

I note in the Exh report P.C. Hoff

is requesting on some bridge told him on Kennedy

Hotel Exch. There are a great many items.

In item No. 27 he says:

"Telephone was in to see Constabulary

Headquarters concerning the

"Transport was in to see Constabulary

"Thieves. Gardiner has been
"writing threatening letters to
"the Thieves".
Now, did Humphrey come in to see you?
A. Yes, sir.
Q. This was a correct statement of fact?
A. Mr Humphrey made a 'hone call to me.
Q. Yes?
A. As a result of that he attended at my office.
Q. Would this be in your police diary?
A. Yes, sir, it would.
Q. When was this? Was it in 1960?
A. Just a moment, please. If my memory serves me correctly, it was in December, 1960.
Q. After the arrest?
A. Pardon me?
Q. December, 1959?
A. That is correct.
Q. Then we will have your 1959 diary too then. Can you tell us, to the best of your recollection without your diary, the sum and substance of that conversation?
A. Yes, sir. He phoned me. And he came to my office. I believe it was somewhere

Kennedy, continue the book.

"Writing Proceedings Involves an

"Con Estrada".

Does Ed Shaughnessy have his own point

A. Yes, sir.

Q. Did you ever in conversation "Connection

on Shaw?

Q. Do Shaughnessy refer a "Case call

to me.

Q. Then

A. In a remark or fact in connection

on my activity?

Q. Would edge his in your getting

dately?

A. Yes, sir, he would.

Q. When was Shaw? When is in

year?

A. Just a moment, please. If my

memory serves me correctly, it was in December,

1960.

Q. After the arrest?

A. Shortly not

Q. December, 1960?

A. Just in December.

Q. When we will have proc Shaw

dately con Shaw. Can you tell me, to the

best of your recollection please your date,

the year and conference of that conversation?

A. Yes, sir, the general day, the

he come to my office. I believe it was somewhere

close to the noonhour. I had told the Commissioner that Humphry was coming. I took him immediately to the Commissioner's office and was present during the conversation between Mr Humphrey and Commissioner Clark.

Q. Did you make notes?

A. No, sir; I made just a note in my diary.

Q. Well, what was said?

A. Mr Humphrey was representing McDermott and a man by the name of "Curly" Gardiner, whose name was known to me from police reports, and who had been communicating with McDermott.

THE COMMISSIONER: Q. Gardiner had been?

A. Gardiner had been communicating with McDermott, wanting money, and from what Mr Humphrey told us I would believe was more or less under threats.

MR MacKINNON: Q. Did he tell you what he was threatening?

A. I think to expose McDermott, his gambling activities.

Q. And why was Humphrey coming to see you people?

THE COMMISSIONER: Q. Did Humphrey say that?

A. Yes, sir. That was in the course of the conversation. The gist of Humphrey's

close to the roadhouse. I had held the
Gentlemen's Club Lodge and Dunlop. I was
the lieutenant in the Commissioner's office
and was passed during the conversation
between Dr Dougherty and Commissioner Clark.

Q. Did you also hear

A. No, only I made just a note in my
diary.

Q. Well, what was said?

A. Dr Dougherty and representing
McDonnell and a man by the name of "Curly"
Gardiner, whom some one known by as the Drew gang
member, and who had been communicating with
McDonnell.

THE CONSTABLE: Q. Gardiner had
been?

A. Gardiner had been communicating
with McDonnell, wanting money, and from what
Dr Dougherty told us I would believe was more
or less under duress.

MR MACTAVISH: Q. Did he tell you what
to use Gardiner?

A. I think to express McDonnell.
Say something intimating.

Q. And why was Dr Dougherty coming to
see you police?

THE COMMISSIONER: Q. Did Dougherty say
that?

A. Yes, sir. There was in the course
of his conversation, the last in McDonnell's

opening remarks was as I have related. Now, what he wanted ---

Q. Excuse me; I want to get this clear. Humphrey said Gardiner had been communicating with McDermott wanting money under threat of exposing McDermott's gambling operations?

A. That's right, sir.

Q. Yes?

A. Mr Humphrey wanted the Commissioner, requested the Commissioner to put a Provincial Police officer, to have a Provincial Police officer available so that a meeting could be arranged between McDermott and Gardiner and the police officer would be concealed but where he could hear the conversation.

MR MACKINNON: Q. Was Mr Humphrey attempting to ascertain whether you people had already been contacted by Mr Gardiner?

A. No, sir.

Q. Did you so advise him?

A. No, sir, I am quite positive that was not mentioned.

THE COMMISSIONER: Q. And had you been?

A. I hadn't been in touch with Gardiner but ---

MR MACKINNON: Q. But you knew that ---

A. I knew that Sgt. Anderson had been working on the matter.

operating remedies was on I have related. Now, that is material —

Q. Number one, I mean the one that stands. Suppose you'd testified that communications with supervisor concerning issues and operating department's conditions were adequate?

A. That's right, sir.

Q. That?

A. Or changing working hours.

Commissioner, concerning the conditions in the I.C.D. operational section, is there a procedure Police officer available to them in making similar complaints to management between lieutenant and commander and the police officer would be encouraged but where to would have the correspondence.

MR. MACDONALD: Q. Then do I understand in summary, whether you were in fact glossing them conducted by the department?

A. No, sir.

Q. Did you do adverse this?

A. No, sir, I do quote practices that are not well established.

MR. CHAMPION: Q. And had you heard that —

A. I hadn't been in touch with Detective Hall —

MR. MACDONALD: Q. But you have done —

A. I have gone to Det. Sergeant and been working on the matter.

Q. In Sergeant Anderson's diary for December 15th, 1959, he relates a meeting he had had with Frank Gardiner at Windsor and that Gardiner was not inclined to talk because he was afraid his family would be hurt. Do you remember whether this interview with Humphrey ---

THE COMMISSIONER: What date?

MR MACKINNON: That was December 15th, 1959.

Q. Can you recollect right now, without your diary, whether this meeting with Humphry was before December 15th, 1959, or after?

A. I am quite sure it was after, sir. If I remember correctly, it was after Christmas and before the first of the year.

Q. Now, what did you and the Commissioner say or do in connection with Humphrey's suggestion?

A. Well, here again this was a matter of policy and the Commissioner refused to have anything to do with it. There was a question of jurisdiction because Mr Humphrey had related that McDermott had received a post-card from a man signing his name. I think it was J. Foran -- F-o-r-a-n, if I remember correctly -- and it had been postmarked in the United States, and the other communications as related by Humphrey, as I recall ---

THE COMMISSIONER: Q. Postmarked in the United States and signed by whom?

A. I am speaking purely from memory, sir. I think it was J. F-o-r-s-n.

Q. What did the post-card say, did Humphrey tell you?

A. I think it was along the same lines of wanting some money.

MR MACKINNON: Q. Did you see the post-card?

A. I think Mr Humphrey had it and I believe I saw it but ---

Q. He didn't leave it with you?

A. Oh, no, sir; that part is a bit vague. Some of the other communications ---

THE COMMISSIONER: Q. Tell me more about the post-card. It indicated he wanted money?

A. Yes.

Q. Go on.

A. I cannot recall just what words were on the post-card, sir, but it was indicative -- when Humphrey mentioned the post-card -- that it too was a demand or a request for money from McDermott.

Q. Or else what? Anything?

A. No, sir. That is the way -- as I recall the contents.

MR MACKINNON: Q. Did it say anything about exposing his contacts with officials or

members of parliament or members of the Legislature or anything like that?

A. No, there was nothing of that nature at that time at all. And I understood from Mr Humphry that McDermott had received phone calls from Gardiner from various places, I believe mostly from Windsor.

Q. Was there any amount of money mentioned?

A. No, sir.

Q. Not by Humphrey, nor in the post-card that you can recollect?

A. No, sir; I feel quite positive there was not.

Q. At this stage, having been some two years in the branch, you knew who McDermott was?

A. Yes, sir.

Q. Did you think this was a lot of nerve on Mr Humphrey's part?

THE COMMISSIONER: Oh well, never mind that.

A. I ---

THE COMMISSIONER: Never mind that.

A. No; all right, sir.

THE COMMISSIONER: I am not concerned with what he thought about it.

MR MACKINNON: Except that he was the one was was exposed to it. However.

A. I would like to say, my lord, how

I did come to know Humphrey.

MR MACKINNON: Q. Yes, if you would, please?

A. When I was a member of the criminal investigation branch I was engaged on a rather lengthy criminal investiation where there was a special crown prosecutor appointed and Mr Humphrey who was then assistant crown attorney was his assistant, and that is how Mr Humphrey knew me.

Q. In Sgt. Anderson's diary for February 6th, 1960, he states that he reported toyou the information Scott had given him about the approach Wright had made to Scott.

A. Yes, sir.

Q. And that your comment was that the results were sooner than we expected; is that correct?

A. I don't remember it, sir, but it sounds -- if Sgt. Anderson said that I am quite prepared to agree to it.

Q. You had your eye out for Wright at this time?

A. Well, I was -- I knew all about Wright's transfer, I knew it was pending, I knew when it took place, and in fact I think I notified him by memorandum on the Commissioner's instructions.

Q. I take it that Sgt. Anderson was not advised that the investigation by Scott

I did.

Q. Mr Hawkins, Mr. If you would, please?

A. Yes. I had a number of the criminal investigation branch I was engaged on a rather lengthy criminal investigation where there was a specific crime perpetrated against and in consequence the and then subsequent conversation was his weaknesses, and then in how he behaved then.

Q. Mr Ryle, whenever a family discussing this, then, in fashion that he expected after the conversation there had been the opportunity weights had made to bounce.

A. Yes, sir.

Q. And that your comment was that the results were sooner than we apparently in that context?

A. I don't remember it, sir, but it sounds — if that, Mrdunnere said that I am quite prepared to agree to it.

Q. You had your eye out for weights at this time?

A. Well, I was in I had its Mr Hawkins's business, I knew it was pending, I knew when it took place, and in fact I think I modified his by passing notes on the Commissioner's instructions.

Q. I think it was by. Mr Hawkins was not aware that the investigation of course

was going to be terminated on May 28th?

A. That Wright was going to be arrested on May 28th?

Q. That's right.

A. Well ---

Q. He was advised after the event?

A. I believe that is correct, sir.

MR MACKINNON: I see it is five after five.

THE COMMISSIONER: Q. Well, there was nothing abnormal about that?

A. Quite right, sir. There was nothing unusual about that at all.

MR MACKINNON: Q. Wasn't Sgt. Anderson in charge of this branch?

A. That's right but at that time the investigation had now been given to Inspector Graham.

Q. Was Anderson advised of that?

A. I believe so but I couldn't say. I am not absolutely sure, sir.

MR MACKINNON: I think, sir, I will wait until we see the 1959 and 1960 diaries later. I see it is five after five now.

THE COMMISSIONER: All right. Tomorrow morning at ten.

---Whereupon the Hearing adjourned at 5.05 P.M. until 10.00 A.M., April 3rd, 1962.

was going to be incorporated in my Debtor

Q. Did Tulpin and Young go to be

married on Day Jones?

A. Don't know.

Q. Well ---

Q. He was advised after the

merger?

A. I believe that is correct, sir.

MR MACKENZIE: I see it is five after

five.

THE CHAIRMAN: Q. Well, Henry was

selling Personal Good Credit

A. Auto-clubs, sir. Then the

insurance company came out on all.

Q. Mr. Chairman: Q. Then's who Bankruptcy

in charge of this Branch?

A. Then's right but as that time

the investigation had not been given to Insolvency

Branch.

Q. Was Anderson assigned of that?

A. I believe so but I wouldn't

say. I am not absolutely sure, sir.

MR MACKENZIE: I think, sir, I will

wait until we see the Jones and Lynn direction

before. I see it is five after five now.

THE CHAIRMAN: All right. Tomorrow

morning at ten.

--Adjourned the Hearing at 5.00 P.M.

until 10.00 A.M. Next day.

IN THE SUPREME COURT OF ONTARIO

BETWEEN:

KENNETH H. BROWN and JAMES T. GOW, Trustees, on behalf of themselves and all other Shareholders of Beleggings-Societeit, N.V., and the said BELEGGINGS-SOCIETEIT, N.V., as represented by the said Kenneth H. Brown and James T. Gow,

Plaintiffs,

- and -

BELEGGINGS-SOCIETEIT, N.V., as represented by W.H.J. de Boer and J.C.W.M. Huijsmans,

Defendants.

TRANSCRIPT OF ARGUMENT ON APPEAL

Date

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Supreme Court Reporters
145 Yonge Street
TORONTO

Vol 8.

CRIME COMMISSION

Tues, Apr 3/62

pp 1507 - 1704

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Plaintiffs,

- and -

BELEGGINGS-SOCIETEIT, N.V., as represented by W.H.J. de Boer and J.C.W.M. Huijsmans,

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TRANSCRIPT OF ARGUMENT ON APPEAL

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89.	1608	Constable Scott's Diary.

B/WJN/1

THE COMMISSIONER: Now, Mr. Wilson.

WARD KENNEDY, resumed the stand:

EXAMINATION BY MR. MacKINNON (Cont'd):

Q. Mr. Kennedy, you were telling us yesterday about a meeting you had with David T. Humphrey who was calling to see you on behalf of McDermott and Feeley and you believe itwas towards the end of December, 1959, that this meeting took place?

A. Actually December 28th, sir.

Q. The 28th of December?

A. Yes, sir.

Q. Now, you have you diary in front of you for that date. Do you wish to go any further or give us any other correction in your evidence of yesterday on this point?

A. Yes. My lord, I toldyou the name on the postcard was Fordham, and it should be Foran. That is all, my lord.

Q. Then, you have also produced your 1960 diary, and I believe on November 7th of that year you had another phone call from Mr. Humphrey, is that correct?

A. That's right, sir.

THE COMMISSIONER: What date?

MR. MacKINNON: November 7th, 1960.

Q. And at this time what were your duties in the Provincial Police?

A. Well, I was Assistant Commissioner and I had the supervision of about six different departments, one of which was the anti-gambling squad.

Q. Yes. Now, what was Humphrey calling you about on this occasion?

A. Regarding a man who was employed by a mining company.

Q. Did he tell you the mining company's name?

A. No, sir. I have heard the name.

Q. Erne Mines?

A. Yes, I recognize the name now, sir. Whether he mentioned the name or not -- that it was about a prospector lost in the north country.

Q. What did he feel your interest would be in that?

A. They were merely enquiring as to how the rescue operations were proceeding in the north.

Q. Were you aware at the time he called you?

A. Only that I received a call November 4th from McDermott.

Q. From McDermott, and what was his conversation?

A. I received a phone call on

November 4th at 12.45 at my office.

THE COMMISSIONER: Q. November the 4th?

A. Yes, sir.

Q. At what hour?

A. 12.45 p.m. I might add that during the noon hour I am always in my office and calls -- I sometimes get calls that would ordinarily go to other departments. In this case, I don't know whether McDermott called for me, personally, or whether it was because I had never spoken to the man before.

Q. Had he been charged by then, do you know?

A. I can't say, sir. I don't remember. He was phoning regarding rescue operations for an employee lost in the bush since the previous Monday; twenty-two miles northwest of McKenna.

Q. Had you heard of this prior to this date?

A. I had no such recollection. If I did, I don't recall it.

THE COMMISSIONER: Q. How long was it?

A. This was on Friday, my lord; since the previous Monday.

MR. MACKINNON:

Q. Did he give you the man's name?

A. He said he didn't know the name of the man who was employed as a claims staker. He was about thirty-five years of age.

Q. Did you have any further conversation with him?

A. He said -- he understood this man was an experienced bush man, and he said that a Mr. Feeley had gone to the scene. I told McDermott that I would check this enquiry.

Q. Is that the extent of your conversation on that date?

A. Yes, sir.

Q. And did you check on this enquiry?

A. Yes, I advised the Commissioner of the call and on his instructions I communicated with our Port Arthur District Headquarters; and if I recall the reply was to the effect that everything possible was being done.

Q. Was this man ever identified or located?

A. To me he was never identified, sir.

Q. Was he ever found?

A. As far as I am aware he was never found.

Q. Do you know whether there was such a man in existence?

THE COMMISSIONER: Q. Well, do you know?

MR. MacKINNON: Q. As a result of your investigation?

A. Only through this investigation, sir, and the fact that one fellow employee in the north had submitted some information to his District Headquarters that the search was on for such a man, sir.

Q. What I am getting at, was this man

ever identified as a living person? As an identifiable person?

A. Not by me, but I believe so.

Q. You think so?

A. Yes, I do, sir.

Q. Then, from where did McDermott phone you at that time?

A. Oh, I have no idea, sir.

Q. And possibly in your entry for November 7th, I believe you say the Humphrey phone call was from New York, is that correct?

THE COMMISSIONER: No, he did not say that yet.

MR. MacKINNON: Q. I think it is in your entry for that date. Am I right, November 7th? Did Humphrey phone you from New York?

A. Yes, I didn't call McDermott.---

Q. No.

A. --- on it, again.

THE COMMISSIONER: Q. Humphrey called you from New York?

A. Humphrey called me from New York, yes, sir; Humphrey reported to me from New York on the 7th.

MR. MacKINNON: Q. Did he advise you that McDermott and/or Feeley were with him?

A. No, sir. I have no knowledge of any reference to them at all.

Q. And did he explain how he came to be phoning from New York after McDermott had

already phoned you three days previously?

A. My notes say that at 12.45 p.m., call from D. Humphrey, barrister, calling from New York City as to employee of Joseph McDermott lost in bush; gave him details and advised him I would have called McDermott if phone number had been available.

Q. I take it he knew then that McDermott had already called you?

A. Yes, sir. I take it that was in reply, it was to get an answer to McDermott's question.

Q. Did Humphrey indicate that he, himself, had an interest in this mine?

A. No, I have no recollection of him so indicating.

Q. Was Oran Explorations mentioned in either of these conversations?

A. No, sir.

Q. That is all, thank you.

THE COMMISSIONER: Mr. Brewin?

MR. BREWIN: No questions, thank you.

EXAMINED BY MR. WILSON:

Q. Just one moment, there is only one question I want to ask you. Will you just fix the date of this postcard from Mr. Foran?

A. Yes, sir. The postcard, sir, was postmarked December 22nd, 1959, Dayton, Ohio.

THE COMMISSIONER: Q. Just a moment, this postcard was marked . . . ?

A. Dayton.

Q. Dayton?

A. Dayton, Ohio, December 22nd, 1959.

MR. WILSON: Q. That is all, thank you.

---The witness withdrew.

GEORGE SCOTT, sworn,

EXAMINED BY MR. WILSON:

Q. You joined the Ontario Provincial Police in August of 1954 and you were immediately assigned to the anti-gambling branch?

A. That is correct, sir.

Q. Now, what was your police experience prior to that time?

A. That was my first.

Q. That was your first experience?

A. Acquaintance with police work.

THE COMMISSIONER: Q. Prior to that what was your occupation?

A. I was a sheet metal worker.

MR. WILSON: Q. Now, I understand that in the fall of 1954, November 24th, 1954, you were one of the squad that raided the Centre Road Veterans Club?

A. That is correct, sir.

Q. And I understand that you have -- you heard the evidence given by Sergeant Anderson and Chief Constable Shrubb here, or were you present when they gave evidence?

A. Yes, sir, for the most of it.

Q. Now, I do not want to take too much time about that incident because I understand you cannot help us very much about it.

A. That is quite true, sir, other than the fact which perhaps does not relate to

this inquiry, which concerned one of the found-ins trying to smash a photographer's camera.

Q. I do not think we are interested in that. You have no actual knowledge of any telephone call on that occasion?

A. No, sir.

Q. At the time there was no discussion by any of the other officers with you about any such telephone call?

A. Not that I recall, sir.

B/2 Q. Well, there has been introduced in evidence as Exhibit 61 certain reports, eleven in all, which were said to have been made by you. Would you look at those reports and tell us whether or not they were in fact made by you?

A. Yes, sir, they were.

Q. Now, following Wright's first approach, you immediately got in touch with Sergeant Anderson and informed him of the approach?

A. Yes, sir.

Q. And were you here when the evidence was givenby Commissioner Clark and Assistant Commissioner Kennedy?

A. Yes, sir, I was.

Q. And was the evidence given by them as to how the report, what instructions you were given, and how the reports were handled, correct?

A. Yes, sir, that's quite true.

Q. And can you tell us by reference - first of all, tell us from whom the information was obtained upon which you based those reports?

A. P.C. Robert Wright; P.C. Carmen Lawrence; P.C. Kenneth Lamorie; and one Joseph McDermott.

Q. And in each instance where the information was received from one or other of these persons, the reports so state, is that correct?

A. Yes, sir.

Q. And who in the Ontario Provincial Police Force were aware of your undercover activities during the period covered by those reports?

A. Commissioner Clark, Sergeant Anderson of the anti-gambling branch, and Constable Moore of the anti-gambling branch, in addition to myself.

Q. Can you fix the date when you first had direct contact with Joseph McDermott?

A. Yes, sir.

Q. What was that date?

A. April 27th.

Q. And how did that come about? First of all, possibly just to recall the date you started these reports, the first report is February 5th, 1960; the first entry in the first report?

A. Yes, sir.

Q. Yes. Now, tell us how you came to get in touch directly with Joseph McDermott?

A. Early in the day on April 27th, it would be at approximately 12.30 p.m., I met Constable Wright in a restaurant on Danforth Avenue in Scarborough; that would be Danforth Avenue and Pharmacy. On this occasion I had a conversation with Wright and in the conversation Wright gave me a number to telephone in Toronto with respect to forwarding tip-offs.

Q. What was that number?

A. Crescent 8-3783.

Q. And did you make use of that number?

A. I did, sir.

Q. And who did you speak to when you called that number?

A. Mr. McDermott.

Q. Yes?

A. Mr. Joseph McDermott.

THE COMMISSIONER: Q. When did you call?

A. I, in fact, called first on that day at about 7.00 o'clock in the evening.

MR. WILSON: Q. Now, at that time - and possibly you can refer to your report - you had received certain moneys from Constable Wright?

A. Yes, sir.

Q. At that time what payments had been made to you?

A. Two payments of $400 and one payment

of $200.

Q. All right.

A. In addition to some $13 expenses.

Q. Yes, and what was the purpose of those payments?

A. These payments were given to me for providing tip-offs on raids taking place at two social clubs in the province, gaming houses. These --

Q. Yes, you go ahead.

A. These were the Ramsay Club at Niagara Falls and the Vets Club at Cooksville.

Q. And the Ramsay Club at Niagara Falls at that time would be located at what address?

A. On Stanley Avenue.

Q. 1648 Stanley Avenue?

A. That's correct, Sir.

Q. Yes. Now, I refer you to your third report dated March 2nd, 1960, and in particular to the notation under date of February 29th. That forms part of item 6, towards the end. That is the second to the last paragraph of item 6.

THE COMMISSIONER: Wait a minute. You said March 2nd.

MR. WILSON: That third report is dated March 2nd, but I am referring to --

THE COMMISSIONER: I beg your pardon.

MR. WILSON: I am referring to the entry

of Febraury 29th. If that is numbered, Mr. Commissioner, it starts at page 5.

THE COMMISSIONER: Just a moment; and what number is it?

MR. WILSON: It is the second to last paragraph of item 6 under date of February 29th.

It reads:

"We touched briefly on the "hearing . . . "

THE COMMISSIONER: I see it now.

MR. WILSON: Q. " . . . at Queen's Park "with regard to the attempted cancellation "of the provincial charter held by the "Vets Club of Cooksville. F.C. Wright "said he understood the fix was on at "Queen's Park and that the charter would "be retained. He said that the charter "was due to be cancelled but some one "in the Department of the Attorney "General had blocked the proceedings."

Now, that, I take it, was a statement made by F.C. Wright to you on that occasion?

A. Yes, sir.

Q. And did he elaborate on that at all beyond the reference that appears here?

A. No, sir.

Q. Now, turning to the ninth report -- it is the ninth report I am going to refer to next -- that is the one dated May 23rd, 1960.

THE COMMISSIONER: Yes.

MR. WILSON: Q. In that report under date of May 13th, item (b), there is a reference there to a senior member of the legal personnel of the Attorney General's Department receiving a lot of money from the gamblers. Now, that was told to you by whom?

A. By Joseph McDermott.

Q. And was that on a telephone conversation you had, or during a telephone conversation you had with Joseph McDermott that day?

A. Yes, sir.

Q. And what was the substance of that conversation?

A. The substance was that McDermott said that Mr. Common was receiving a lot of money from the gamblers and I expressed a lot of doubt in this regard, and he then told me to go and put a question to Mr. Common.

THE COMMISSIONER: That is all right.

MR. WILSON: Q. Yes?

A. "And I will tell you what the question was the next day." He went on further to say, "Who was it stopped you from using hammers on the door at Cooksville?" And, "Why was it the Attorney General's Department stopped you from using that section of the Criminal Code under which found-ins can be taken from an alleged gaming house and examined under oath?"

Q. Now, dealing first with the use of hammers on the door at Cooksville, were any such orders as he talked about given?

A. I don't know.

Q. No. I mean, in your experience as a member of that branch had you ever received any such orders?

A. Well, in my tenure with the branch we didn't use hammers on the door at Cooksville. Whether or not I asked whether we should, I don't recall.

Q. In your tenure with this branch, did you ever use hammers any place?

A. Yes, sir.

Q. At what location?

A. All sorts of locations; betting houses, some gaming houses; not too many places of this particular nature. That is in my experience.

Q. And did that policy of using hammers continue during the years you were on the squad or was it at any particular period?

A. With respect to the club at Cooksville?

Q. All locations.

A. Oh, yes, we used hammers all the time.

Q. Did you participate in any raids on the Veterans Club at Cooksville after November, 1954?

A. Yes, sir.

Q. On a number of the raids?

A. Yes, sir.

Q. And on the raids that you did participate in on that club after November, 1954, was there any reason to use hammers?

A. Well, being aware of certain facts which have come to light, it would have been useless to use hammers, I would say. In my opinion, hammers under normal circumstances should have been used.

Q. I don't follow that. You say that based on hindsight it might have been wise to use the hammers?

A. That's right. If we had been expected I don't think it would have been wise to smash any doors to no avail.

Q. If there had been a tip-off it would have been useless, is that what you are saying?

A. Yes, sir.

Q. If there had not been a tip-off it might have been an advantage to use those tactics?

A. Well ---

THE COMMISSIONER: Excuse me.

Q. I put it this way: On the raids after November 24th, was there any necessity for using the hammers, or were you admitted?

A. We were admitted after a time, my lord.

Q. Yes?

A. But, of course, when you raid a gaming house the first objective is to enter the premises as quickly as possible and evidence can be destroyed before you get in, if you are not successful in gaining entrance immediately.

MR. WILSON: Q. Well, in the circumstances where you did use hammers or crowbars, did that take place before you asked to be admitted or after you had asked to be admitted and you were not admitted?

A. Well, under normal circumstances you don't ask to be admitted. You try the door and immediately break it in if it is locked. Of course, this is considered beforehand. The circumstances are considered beforehand.

B/3

Q. Is that common procedure?

A. Yes, sir.

Q. Would you say that procedure was not followed in your experience on the squad in any of these larger gambling establishments?

A. That's quite true, sir.

Q. The ones that were suspected of being the larger gambling establishments?

A. That's quite true, sir, but I should add at the same time the doors and the windows on these -- for example, the Ramsey Club and Vets Club are so constructed that even with a ramrod it would be very difficult to immediately gain entrance by breaking in the door or window.

Q. Did the use of hammers and crowbars

give rise to complaints where no evidence was found in various occasions, complaints against the Force?

A. Yes, sir, I would say they did.

Q. Under the ninth report, again, under date of May 16th -- I am sorry, it is May 17th -- there is a further reference to a member of the senior legal personnel of the Attorney General's Department and that person was receiving $800 per month from the "thieves".

THE COMMISSIONER: What report is this?

MR. WILSON: The May 23rd report. The particular date is May 17th in that report and it is item (h).

Q. Now, who gave you that information on that occasion?

A. Former Constable Lawrence.

THE COMMISSIONER: Just a moment.

MR. WILSON: Q. Now, what is your --

THE COMMISSIONER: Just a moment. Yes?

MR. WILSON: Q. Now, where did that meeting take place and who was present when that statement was made?

A. The meeting took place in an automobile parked outside a club called the Earl French Memorial Club on Broadview Avenue just north of Gerrard Street, and present at this time were former Constable Lawrence and Provincial Constable Wright.

Q. And what time of the day was it?

A. In the evening hours, somewhere around 10.00 o'clock, I would say.

Q. Yes, and ---

A. Approximately 10.00 o'clock.

THE COMMISSIONER: Just a moment, please. All right.

MR. WILSON: Q. Had either or any of you had any drinks at the time prior to the time this statement was made?

A. Yes, sir.

Q. To any extent?

A. Yes, sir. Well, I shouldn't say -- I should say that Laurence didn't, to my knowledge, and apparently -- Wright had; Wright and I were at the club from about 2.00 o'clock in the afternoon and this was at -- we stayed until about 11.30 in the evening and I estimate we had about seven pints of ale each throughout that period.

Q. Yes. Now, who are the "thieves" that are mentioned in that particular reference?

A. Joseph McDermott and Vincent Feeley.

Q. Yes. Who ---

THE COMMISSIONER: Just a moment.

Q. We were told earlier there was a group known as the "three thieves". Did you ever hear of the "three thieves"?

A. Yes, sir.

Q. Why do you say Joseph McDermott and Feeley were the "thieves" mentioned here?

A. Some time prior to this date of May 17th I had a conversation with Wright during which he told me that the "thieves", who were at that time -- that is some time prior -- only the "three thieves". I should say one of the "three thieves", James Ryan, had severed his connections with Vincent Pooley and Joseph McDermott; and Wright then told me there were properly "two thieves".

Q. I see.

MR. WILSON: Q. Well, when you used the expression in that reference to "thieves", did he say the "thieves" or did he mention these people by name?

A. Well, some time name and some time the term "thieves".

Q. Now, who was W.C.B. Lawrence?

A. He was a former Provincial Constable on the anti-gambling branch.

Q. Well, at that time was he a former constable or a Provincial Constable or was he on the Force?

A. At that time he was a Provincial Constable on the anti-gambling branch.

Q. Well, I gather by reading these reports of that date that you were having dealings for the first time, or discussions for the first time with Lawrence and Lamorie?

A. Yes, sir.

Q. Who was Lamorie?

A. At that time he was a constable on the Provincial Police anti-gambling squad.

Q. And they were both on the anti-gambling squad?

A. Yes, sir.

Q. Now, what led up to your meetings with these two men, Lawrence and Lamorie, and their disclosure to you of their activities as set out in your reports?

A. Well, Lawrence on this particular evening stated that the only reason he had come down to the club there and made his position clear was the fact that I had expressed some feelings of anxiety to McDermott over the arrangements of Lamorie and Lawrence with the gamblers.

Q. So he identified himself as being a party to giving information to some of the gambling establishments at that time?

A. Yes, sir.

Q. And that was the first time that he had actually -- that you had actually discussed that with him?

A. Yes, sir.

Q. And prior to that date, which was May 17th, 1960, had you any suspicion of either Lawrence or Lamorie?

A. Yes, sir.

Q. And after May 17th did you have any further discussions with Lawrence and Lamorie

in regard to their particular activities?

A. Yes, sir.

Q. On what date?

A. On the next day, May 18th.

Q. And where did that meeting take place?

A. It was conversations with Lamorie at the office throughout the day.

Q. Now, this was only with Lamorie, as you call him. I call your attention to both the 18th of May and the 19th of May, the opening words of those two references on those two dates.

A. The next day, sir?

Q. Yes.

A. Yes, sir.

Q. So that on the 19th you had further conversation with both Lamorie and Lawrence at the office and later at the Mansion House Hotel on the Danforth?

A. Yes, sir.

Q. Now, briefly, what led up in your opinion to their disclosure of their activities to you?

A. In my opnion?

Q. Yes.

A. Well, have you got —

Q. Did they tell you why they had done it?

A. Well, as I stated previously, on

May 17th Lawrence said that the only reason he had come down here and made his position clear was the fact that McDermott had been speaking to him and had informed Lawrence of some anxiety that I had about the activities of Lawrence and Lamorie.

Q. Now, what anxiety had you expressed to Joseph McDermott about the activities of Lawrence and Lamorie?

A. Just that I thought it jeopardized our arrangement -- that is, Wright and I -- Wright's and my arrangement. I had expressed this to Wright and also to McDermott.

Q. Now, during -- what were the activities, briefly, of these two men, Lawrence and Lamorie, and what clubs were they providing information to?

A. Well, they apparently were supplying protection for four or five bookmaking establishments and also dealing with McDermott in regard to tip-offs for his clubs.

Q. Is that clubs generally?

A. The Ramsay Club and the Vets Club.

Q. And where were these other establishments that they were tipping off?

A. Thorold, Niagara Falls, St. Catharines.

Q. Can you give us the names of the operators of these different establishments?

A. There was Christoff at Niagara Falls. That particular premises was the Flamingo Club

of Bridge Street. Joe Fortura at either St. Catharines or Thorold.

Q. How do you spell that?

A. F-o-r-t-u-r-a.

Q. Yes, I think you are right.

A. Petrechonko at Thorold, and Sammy Balsom at St. Catharines.

Q. Did they -- what was the one at Niagara Falls?

A. Christoff.

Q. Now, did they tell you how long they had been carrying on this type of activity?

A. Certainly not exactly. They indicated to me how long it was.

Q. Well, what was the indication?

A. My indication was approximately February of 1960.

Q. And did they tell you how much they were getting for their services from these various sources?

A. Yes, sir. $500 a month.

THE COMMISSIONER: Q. Did they sing this out as a duet or did it --

A. This was a statement by Lawrence on May 17th.

Q. What did he say?

A. $500 a month.

(Page 1545 follows)

THE COMMISSIONER: What about who was getting $500.?

A. As I recall, my lord, each, included in which was $200. per month from McDermott for the clubs.

THE COMMISSIONER: Just read that to me, Mr. Reporter.

THE REPORTER: (Reads)

"As I recall, my lord, each,

"included in which was $200.

"per month from McDermott for the

"clubs."

THE WITNESS: Perhaps I could enlarge on that.

MR. WILSON: Maybe you could break it down between the 'patches' and the clubs?

A. I do not think I can do that, but I can say that they were having some difficulty getting their money at this time. I recall Lawrence saying they were having difficulty getting their money.

Q. Well, what were the clubs to whom - in respect of which they were getting the $200. from McDermott?

A. The Ramsay Club and the Vets Club.

Q. Now, the 'patches', I take it, were - - -

A. Bookmaking establishments, sir.

Q. - bookmaking establishments?

A. Yes, sir.

Q. And were these establishments of Christoff and Balson and so on - were they bookmaking establishments rather than gambling establishments?

A. Yes, sir, they were, although I can't establish the exact location of any given one, except I should say, one.

Q. Which one was that?

A. That being the Flamingo Club at Niagara Falls.

Q. Now, from the time that you started to give information to Joseph McDermott, I take it you did it by telephone?

A. Yes, sir.

Q. And you were giving him tip-offs or information in respect to what establishments?

A. The Ramsay Club at Niagara Falls and the Vets Club at Cooksville, and I can say also that there was a proposed club to open at St. Catharines for which I was also engaged.

Q. What were these supposed arrangements for the St. Catharines Club?

A. There was quite a bit of dickering between Wright and myself. He would tell me one day that the thieves were going to get a piece of it, the next day they were not going to

get a piece of it. Another time they didn't feel that there was a proper clientele to make the thing go - make it work - but he finally did tell me it was going to operate and they were going to have an interest in it.

Q. Did you ever directly discuss the St.Catharines set-up with McDermott?

A. As a matter of fact, the first telephone call I had with him, I believe. That was April 27th, sir, and this particular occasion McDermott asked him if there was anything doing at St. Catharines, and I interpret this as referring to the proposed club at St. Catharines. He asked me if there was anything doing there.

Q. And did you on that occasion telephone Joseph McDermott?

A. Yes, sir.

Q. And report to him that there would be nothing doing at St. Catharines that night?

A. Yes, sir, I did.

Q. So that the information that you passed on to McDermott was restricted to three clubs - the Centre Road Veterans' Club, the Ramsay Club and the St. Catharines Club?

A. Yes, sir.

Q. Do you know the name of the St. Catharines Club?

A. The name just escapes me at the moment.

Q. Did you ever in the course of your duties raid that club?

A. No, sir.

Q. Did you ever learn anything further about any club at St. Catharines after the period of your investigations?

A. Yes, sir, I feel that I did.

Q. Well, did you ascertain whether or not in fact any club was operating there?

A. Yes, sir, there was a club there with a charter. We feel - I feel it never did get off the ground properly.

Q. Did it have a name?

A. Yes.

Q. What was the name?

A. I am just trying to think of the name, sir.

THE COMMISSIONER: Suggest it to him.

MR. MacKINNON: The Parkdale Recreation.

THE WITNESS: Yes, sir.

THE COMMISSIONER: What was it?

MR. WILSON: The Parkdale Recreation.

THE WITNESS: Yes, Parkdale Recreation.

MR. WILSON: Now, in any of these discussions that you had with Joseph McDermott, did he ever tell you of any interest he had in any other gambling enterprises or operations other

than the Centre Road, the Ramsay and this one you speak about at St. Catharines?

C/2 A. Well, he intimated the interest he had on the Lakeshore with his betting establishments - atleast, that is how I would interpret it.

Q. Did he identify the locations on the Lakeshore - - -

A. No, sir.

Q. - - of these establishments?

A. No, sir.

THE COMMISSIONER: You mean betting establishments?

A. Yes, sir, and also - - -

MR. WILSON: That would be bookmaking?

A. Yes, and also the Jordan Club downtown Toronto.

Q. He did advise you that he had an interest in the Jordan Club?

A. Well, not precisely but in a statement with respect to people coming downtown to bet in the Jordan Club, in this way, "We've had businessmen come into the Jordan Club downtown."

Q. Did he ever make any statements to you about the volume of business that the clubs in which he was interested were doing, that is, the gambling establishments?

A. No, sir.

Q. Did he at any time tell you

what other persons in the Ontario Provincial Police, who were active at the time of the statements or had formerly been members of the Force, had in any way assisted him in any of his activities?

A. Would you repeat that question, please?

Q. Well, did he suggest to you that any other member of the Force, apart from yourself and Wright, were giving him information, or had given him information?

A. Yes.

Q. Who were they?

A. Lawrence - that is, former Constable Lawrence, former Constable Lamorie, and former Sergeant John Cronin.

Q. Now, I direct your attention to the 6th report, which is dated April 14th, 1960, and to the notation made under date of April 12th, Item 8.

A. Yes.

Q. It reads:

"The brief on the Ramsay Club was "composed by D.Humphrey, P.C.Wright, "and others. Thereafter it was "forwarded to " - - -

My lord, will I read the names which follow?

THE COMMISSIONER: Go ahead.

MR. WILSON: Thank you.

"to Arthur Maloney, Federal M.P.,

"who gave it to James Maloney,
"present Ontario Minister of Mines,
"and he in turn gave it District
"Inspector Stringer. Inspector
"Stringer then turned the brief
"over to SergeantAnderson."

THE COMMISSIONER: Yes.

MR. WILSON: Now, if Inspector Stringer is in the hearing room, I would ask that he retire.

THE COMMISSIONER: All right.

MR WILSON: And also, I think, Sergeant Andersen and Corporal Shrubb. I think they should also retire.

---Persons left room.

MR. WILSON: Now, who made the statements upon which that notation is based?

A. Robert Wright.

Q. And did he give you any other facts about that brief other than you have recorded there?

A. No, sir.

MR. WILSON: Now, in the course, Mr. Commissioner - - -

THE COMMISSIONER: Just a moment.

MR. WILSON: I sorry.

THE COMMISSIONER: You said the brief was composed by Mr. Humphrey himself and others. Did he say who the others were?

A. No, sir.

MR. WILSON: Now, Mr. Commissioner, there are a number of other things we shall be dealing with in this report now, but I am primarily directing my attention to the Ramnay Club at this time.

THE COMMISSIONER: Yes.

MR. WILSON: Whogave you the instructions to terminate your undercover activities?

A. Nobody.

Q. Nobody?

A. No.

Q. Well, how did they come to an end?

A. Wright was arrested on May 28th, 1960.

Q. Then did you hear from either Wright, Lawrence or Lamorie after Wright's arrest?

A. Yes, sir.

Q. Which ones did you hear from?

A. I heard from Lawrence.

Q. On what date?

A. On May 29th, a Sunday, 1960.

Q. And whatwas he enquiring about?

A. He asked me if I had made a very derogatory remark and asked me if I had blown the whistle on him. He said he had admitted nothing.

Q. Admitted nothing to whom?

A. To the Commissioner and Assistant-Commissioner by whom he was interrogated.

Q. Just take yourtime. He told you then that he had been examined by the Commissioner and the Assistant Commissioner of the Ontario Provincial Police?

A. Yes.

Q. That would be Commissioner Clark and Assistant-Commissioner Kennedy?

A. Yes.

Q. And what did he tell you he had told them?

A. He first stated he had been threatened with arrest and being put in jail, and then he said he had admitted nothing - admitted nothing - except being parked outside the Earl French Club in a car, the reference to which I have already made. Further he said the only thing he discussed at that time was Wright's position at Belleville. He told me that Wright had been arrested and said he hadn't been frightened when threatened with being put in jail.

Q. I notice in that report of May 31st, 1960, there is a reference to the Alpine Club?

A. Yes.

Q. What does that reference mean?

A. Well, I learned that Lawrence

had some interest in a small gaming house operating on - a building on Leader Lane, and that this premises was called the Alpine Club.

Q. But you say he told you he had an interest in it?

A. Yes.

Q. And did he ever take you there?

A. Yes, sir.

Q. When? I think May 19th is the first reference to the Alpine Club, if you will look at that date, Item (b)?

A. Yes, sir.

Q. What did he tell you on May 19th, 1960?

THE COMMISSIONER: Who?

THE WITNESS: Lawrence said that he had started the Alpine Bridge and Social Club on May 8th, 1959, along with two other persons and said that up until April of this year the club had taken in $4,500.

MR. WILSON: That would be 1960?

A. Yes.

Q. And then what is the next reference to the Alpine Club?

A. The next reference?

Q. Yes.

A. On May 26th, along with Lawrence and Lamerie, I went up to this Alpine Social Club.

Q. What was going on when you went there with Lawrence and Lamorie?

A. Well, they wanted my opinion on how the place looked.

Q. Was it in operation when you were there?

A. No, sir.

Q. And did Lawrence tell you who his partners were in that operation?

A. I did learn from Lawrence that there were two persons by the name of Taylor and Kibble connected with him in that regard.

Q. Did you have any occasion to make any further investigation in regard to that particular matter?

A. No, sir.

Q. Now, you have told us that Lawrence contacted you after Wright's arrest?

A. Yes.

Q. Did Lamorie contact you?

A. No, sir.

Q Or did Wright ever contact you after his arrest?

A. No, sir.

THE COMMISSIONER: Let us have a ten minute recess.

---Short recess.

---On resuming.

MR. WILSON: Now, during the time you were on the Anti-Gambling Squad, did any member - any senior member of the legal personnel of the Attorney-General's Department - - -

THE COMMISSIONER: Just a moment. Do you want to make some correction?

MR. MacKINNON: I was just wondering, before the newspapers hit the streets, if we should not deal with this. I believe that this witness is not impugned or that there is any misfeasance on his part, but his diary shows a different name than Arthur Maloney's, and I think that if this is so it should be corrected.

THE COMMISSIONER: I think so too.

MR. MacKINNON: I think maybe it is "Malone" that is in your diary? Now, I have not seen your diary.

A. No, it is spelled "M-a-l-o-n-e," but perhaps I will be criticised for spelling "M-a-l-o-n-e-y" also. My recollection and my note at the time was "Fred Malone," but it was qualified with the words, "Federal M.P." My report - - -

MR. MacKINNON: I think that correction should be made.

MR. WILSON: I didn't know there was any difference.

MR. MacKINNON: Yes.

MR. WILSON: Have you got your diary here?

A. Yes.

Q. You had better produce it.

THE COMMISSIONER: Yes, get it, and if there is an error there, we will correct it. It is unfortunate that the wrong man has been named.

---The witness produces diary.

MR. WILSON: April 12th.

THE COMMISSIONER: Show it to Mr. Wilson.

MR. WILSON: What is the entry you have entered under April 12th, 1960?

A. "Ramsay Club brief was
"forwarded to Fred Malone Fed.M.P.
"who forwarded it to Jim Malone
"Minister of Mines Ont. who gave it
"to Inspector Stringer who gave it
"to Sergeant Anderson."

Q. It is certainly spelt here as "Fred Malone" and then there are the words "Fed.M.P."?

A. Yes.

Q. Show that to the Commissioner.

---The witness hands diary to the Commissioner.

THE COMMISSIONER: How do you spell "Maloney"?

A. I now spell it M-a-l-o-n-e-y.

Q. And the name he gave you was "Fred Maloney"?

A. Yes, sir. At the same time, though, I should like to say it is not to be taken that this is "Fred Malone", because it is not.

MR. WILSON: When you say it is not to be taken as Fred Malone, who is he?

A. Well, there is a Crown Attorney, or a former Crown Attorney, by that name, I believe.

Q. Well, who is it to be taken to be?

A. I can give my opinion now as far as my recollection of what Wright said goes. In my report to the Commissioner I established what I believe is the correct name.

Q. During your period of association with the Anti-Gambling Squad and in the carrying out of your duties in that regard, have you ever been interfered with in any way by any senior member of the legal personnel of the Attorney-General's Department?

A. Well, there are two occasions that perhaps could be best given by another witness.

THE COMMISSIONER: Well, do you know anything about it?

A. Yes, sir.

Q. And did some of your [illegible]

[illegible]?

A. Yes, sir. As the same time, I received line on [illegible] to be [illegible] in "[illegible] [illegible]", because it is [illegible].

Q. [illegible] Does you not [illegible] be known as [illegible], [illegible]?

A. Well, [illegible] [illegible] [illegible], [illegible] [illegible], I believe.

Q. Well, [illegible] [illegible] [illegible]?

A. I [illegible] [illegible] [illegible] [illegible] [illegible]. In my report to the Commissioner I [illegible] what I believe is the correct [illegible].

Q. [illegible] [illegible] [illegible] [illegible] with the Anti-Gambling Squad and in the carrying out of your duties in [illegible], have you ever been interfered with in any way by any senior member of the Legal Department of the Attorney-General's Department?

A. Well, there are [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible].

THE CHAIRMAN: Well, do you know [illegible] [illegible]?

A. [illegible].

Q. You tell us what you know?

A. One would be an occasion dealing with the execution of a search warrant with respect to the Wright-Feeley-McDermott investigation.

Q. Yes.

A. And that was authorization to execute same. The other is a directive dealing with the legality of pin-ball machines.

MR. WILSON: Let us deal with the second first. What year was that directive in respect to pin-ball machines?

A. I am not sure, sir. If I could see the directive, I could. It may have been forwarded to yourself.

MR.WILSON: I intend to go into this, Mr. Commissioner, but I wanted to be sure we have all the relevant documents organized.

THE COMMISSIONER: We had better not get it in piecemeal.

MR. WILSON: No, but just having opened it up, is your criticism there as to the policy of the Attorney-General's Department, or somebody in that Department?

A. Perhaps I am not the right witness. I don't believe policy is involved. It involves a decision, I believe, of the Supreme Court of Canada as to pin-ball machines.

THE COMMISSIONER: If you are not the

right witness, let us get the right witness when the proper time comes.

MR. WILSON: Yes.

THE COMMISSIONER: What was the other occasion?

MR. WILSON: What about this other occasion of the carrying out of a search warrant arising out of the Wright-McDermott-Feeley prosecution?

A. Well, it concerned the execution of a search warrant at the home and office of a solicitor. I was involved with the execution of the warrant at the residence of the solicitor in the City of Toronto.

Q. Who was the solicitor?

A. David Humphrey.

Q. Now, what were the facts?

A. The facts were that authorization to execute this search warrant was supposed to come from the Department of the Attorney-General, and I have been informed that - - -

THE COMMISSIONER: You what?

A. I have been informed - - - -

MR. WILSON: No.

THE COMMISSIONER: Who informed you?

A. Chief Inspector Graham.

THE COMMISSIONER: Well we had better get it from Graham, then.

MR. WILSON: Yes.

Q. You haven't any facts of your own personal knowledge?

A. That is right, sir, that is why I say another witness would be best.

Q. Apart from those two instances, then, has there been any interference by anyone in the Attorney-General's Department in the carrying out of your duties?

A. No, sir.

Q. That is all, thank you.

BY MR. MacKINNON:

Q. While we are on this warrant, Constable, which you helped to execute, are you aware as to how long you had to wait to secure this warrant?

A. No, sir.

Q. And are you aware that the same Humphreys stated subsequently that he had no notion about this warrant before it was executed?

A. I have been told so.

Q. Were you told by Sergeant Anderson?

A. Yes.

Q. We will get that from him.

Were you aware that the authorization for this warrant had to come from the Attorney-General's Department?

A. I understand that, sir, yes.

Q. Is that normal for search warrants, do you know? Do you secure the Attorney-General's - -

A. Perhaps it might be for a warrant of this nature. Ordinarily, no, it is not normal.

Q. I see. Now, you were asked, first of all, about this 1954 episode, November 24th, and you stated that you were on that raid that morning?

A. Yes, sir.

Q. After the people were secured and the found-ins were taken away from the club, what was your responsibility, do you remember? Were you detailed to look after these people in any way?

A. As I recall it, I was stationed in the hall to keep some kind of order in the hall at the court house.

Q. And were any of these people allowed to telephone, can you recollect?

A. These persons were in custody.

Q. So they were not allowed to telephone?

A. Not to my knowledge.

c/5

Q. And you were asked about any conversations you had relative to this phone call that Sergeant Anderson and Corporal Shrubb told us about?

A. Yes.

Q. Were you advised of the approach made by Feeley to Police Constable Armstrong that morning - McDermott, I am sorry - it was not Feeley?

A. No.

Q. McDermott approached P.C. Armstrong.

A. Yes.

Q. Did you have any discussion about that episode?

THE COMMISSIONER: With whom?

MR. MacKINNON: With anyone on the Squad at that time?

A. No, sir, but I have had reference to some reports dealing with approaches to Armstrong. I had no conversation.

Q. So that was not discussed that morning, that you can recollect?

A. No, sir.

Q. Then, if I may turn to your reports, Constable, and I am interested in knowing and asking how many of the statements in these reports you were able to verify or were verified subsequently?

A. Yes.

Q. Now, turning to report 2, it is dated February 11th, 1960, and under February 5th, Item 3 and 4 relate to what Provincial Constable Wright stated that this gambler had stated to him, asking Wright if he would be interested in forwarding information to the principals behind the gaming establishments at Cooksville and Niagara Falls and that the information would be obtained by you, Constable Scott, and forwarded to Wright at Belleville, who in turn would forward it to Toronto. That was stated on this occasion, was it not?

A. Yes,sir.

Q. And that turned out to be the procedure that was followed, was it not?

A. Yes.

Q. And it was with relation to the Yets Club and the Ramsay Club?

A. Yes, sir.

Q. Then Item 5 says:

"We can make about $400. for the "two of us."?

A. Yes.

Q. Did that turn out to be correct?

A. Yes, sir.

THE COMMISSIONER: Just a moment. You didn't share the $400. that you got with Wright, did you? You got $400. on two different

occasions?

A. Yes.

Q. And you turned it in to Headquarters?

A. Yes.

Q. You didn't share it with him?

A. No, sir.

Q. Well, what does this mean, "We can make about $400. for the two of us"? MacKinnon has said that turned out to be right - to be correct?

A. Yes. Well, that is precisely correct. I did get $200. a month to start with.

MR. MACKINNON: And didne advise you he was getting a similar amount?

A. Oh, I wouldn't say that. He did say in a subsequent telephone call that he had got some money, and I said, "How much?", and he said, "Just what he had said," andI said, "Four hundred bananas?", and he said, "Yes."

THE COMMISSIONER: Well, I thought my impression up to the moment was that these payments came in quantities of $400. each. Is that your impression, Mr. MacKinnon?

MR. MACKINNON: Yes, it is.

Q. Is that how you - - -

A. Perhaps I can explain. The first payment of $400. was for two months. That was expressed by Wright, whether noted here or not,

that we would always be paid in advance. Now, my payment was held up first of all until I proved myself in good faith.

Q. And this was back pay that you were getting?

A. Yes.

Q. The first pay?

A. Yes.

Q. At the rate of $200. a month?

A. Yes, to start with.

Q. Then Item 5 under February 5th states,

"We can make about $400. for the "two of us"?

A. Yes.

Q. That would be $200. a month each; is that correct?

A. Yes.

Q. And Item 6:

"All the gamblers want to know the "times the clubs will be raided "and the policy of the branch."

Was that correct?

A. As far as I determined, yes, sir.

Q. And that was the information you were passing along to Wright?

A. Yes.

Q. And Item 9 seems to confirm

Item 5. It states:

"I talked to the guy and it looks "like we can get about $200. each "per month"?

A. Yes.

Q. And that was the procedure followed, was it not, $200. a month?

A. Yes, sir.

Q. Then Item 10:

"The reason they want to know" - -

THE COMMISSIONER: Just a minute.

MR. WILSON: Now, sir - - -

THE COMMISSIONER: Just a minute.

MR. MacKINNON: The first sentence.

THE COMMISSIONER: Yes.

MR. MacKINNON: "The reason they want "to know when the raids are going to "take place they get the big shots "out there, that big shots don't like "to be caught in raids."

Was that stated to you?

A. Yes.

Q. And did you receive any other confirmation of that reason from Wright or anyone else - from McDermott?

A. Well, I heard McDermott remark subsequently that Anderson, referring to Sergeant Anderson, had found out that some doctors and lawyers left the club prior to a raid.

Q. Assuming they had been advised of this?

A. Yes, sir, and I have also heard the testimony.

(Page 1575 follows)

M/1

THE COMMISSIONER: Just a moment. You have also heard the testimony of whom?

A. Cyril Clark.

THE COMMISSIONER: Well, we know what he said.

MR. MacKINNON: Then No.11: "this would not interfere with your work because they are not going to get anything on the raids. They (the gamblers) know that the only way you can get the Clubs is with an undercover man and they know there is a tight money policy and the Force will not employ an undercover man". Do you know whether that was so, that the Force would not employ an undercover man separate and distinct from the Provincial Police?

A. No, I could not answer that question.

THE COMMISSIONER: That is not right. They tried to get undercover men.

MR. MacKINNON: They tried to get Police Constables in as undercover men.

THE COMMISSIONER: No, they tried to get Police Constables in there, but not as Police Constables.

MR. MacKINNON: As both. First of all they tried to get them in as ordinary members, as Vets, and then as undercover men.

THE COMMISSIONER: Yes.

MR. MacKINNON: But was there any attempt to get an undercover man into this Club in 1959?

THE CHAIRMAN: Does a member, Mr. Mr. Chairman, have the privilege of asking questions?

A. Curtis Clark.

THE CHAIRMAN: Well, we know some of them.

MR. MACKENZIE: Then Mr. Clark, "Take about not interfere with your work because they are not going to get anything on the union. They (the questions) know that the only way you can get the Union in with an undercover man and they know there is a right money policy and the Force will not employ an undercover man". If you know another that was so, that the Force would not employ an undercover man necessarily and dismissed from the Provincial Police?

A. No, I would not answer that question.

THE CHAIRMAN: That is not right. They tried to get undercover man.

MR. MACKENZIE: They tried to get Police Constables in an undercover man.

THE CHAIRMAN: No, they tried to get Police Constables in there, but not as Police Constables.

MR. MACKENZIE: As both. First of all they tried to get them in as ordinary members, as Vets, and then as undercover man.

THE CHAIRMAN: Yes.

MR. MACKENZIE: Do you know any attempt to get an undercover man into this Club in Lady

THE COMMISSIONER: Do you know?

A. I don't really know, sir.

MR. MacKINNON: Then on page 2, under February 10th, you were telephoned apparently by Police Constable Wright, and you made notes in this report of the important parts, as you have stated, of the conversation. In item No. 4 he states: "I heard about that raid in Niagara Falls. What was it, a nuisance raid?" Had there been a raid in Niagara Falls?

A. Yes, sir.

Q. So that this statement about a raid was correct?

A. Yes, sir.

Q. Then turning to report No. 2, under the heading of February 13th, you stated that you met Constable Wright at the Wallace Hotel and he searched your person first of all for a tape recorder, did he?

A. Yes, sir.

Q. Then item 5, you were reciting some of the particular accounts of what transpired. In item 5 you state: "P. C. Wright stated in so many words that once we had developed a trust between us, more information regarding gambling activities would be revealed to me". Now is that a true statement of part of your conversation with Police Constable Wright?

A. Definitely.

Q. And did you subsequently develop a trust, so far as he was concerned, in your relationship with him?

A. I feel that I did.

Q. Were you all the time securing more information from him?

A. I would rather say from time to time I was securing more information.

Q. The thing was opening up more and more as time went along was it not?

A. I would say so, yes sir.

Q. And I suggest as time went along you were getting closer and closer to the source of the corruption, Feeley and McDermott, were you not?

A. Yes sir.

Q. If Wright had not been arrested, were you prepared to carry on with your investigation?

A. Yes sir.

Q. Had you ever stated to anyone that you were in fear for your personal safety and wished to be withdrawn from the case?

A. No sir.

Q. If that were stated it would not be the truth, is that correct?

A. That is right.

Q. Then on February 15th, 1960 you have an item stating that P. C. Wright

on that date informed you------

THE COMMISSIONER: Just a moment.

MR. MacKINNON: It is the last paragraph on the page.

THE COMMISSIONER: Yes, I have it.

MR. MacKINNON: P. C. Wright informed you that there was some suggestion that information from the Anti-Gambling Branch was being supplied to the gamblers at Niagara Falls through one Sammy Balsom of St. Catharines. Now as a result of your later investigation and interviews, conversations, did not that turn out to be a correct statement of fact?

A. I believe so, yes.

Q. Then on the last page of that report, February 18th, the second paragraph you state that you are going to pass all the information to Wright about an anticipated raid on the Club at Niagara Falls, and then you state and I am quoting: "If all the long distance telephone calls from the Belleville area are checked it may show the number xxx which P. C. Wright calls from, and possibly a successive call from the same phone to his Toronto contact on this day". Were these telephone calls subsequently checked?

A. Yes sir.

Q. And did you make that check in part?

Q. No sir.

or that been [illegible]?

MR. CROSSLEY: Yes, I [illegible].

MR. ANDERSON: It is the last paragraph on the page.

THE COURT REPORTER: Yes, I have it.

MR. [illegible]: Q. Mr. Hunt, [illegible] you that there was some argument that information from the Anti-Counterfeiting Bureau was being supplied to the [illegible] at Niagara Falls Energy [illegible] during the [illegible] [illegible] in Q. Hunts of your [illegible] investigation and [illegible], [illegible], [illegible] that not to be a correct [illegible] of facts?

A. I believe so, yes.

Q. Then on the last page of that report, Exhibit [illegible], the second paragraph, it states that you are going to pass all the information on [illegible] report on activities and on the [illegible] at Niagara Falls, and then you close and I am quoting: "It will take long distance telephone calls from the Gallowville area and [illegible] it may [illegible] [illegible] a [illegible] call from [illegible] [illegible] [illegible] [illegible] [illegible]."

A. Yes, sir.

Q. [illegible] [illegible] [illegible] [illegible]

Q. [illegible]

Q. Who did, Inspector Graham?

A. Inspector Deverell.

Q. Then turning to the third report, dated March 2, 1960, I gather by this time Police Constable Wright was gaining more confidence in you, was he not?

A. I would have thought so, yes.

Q. It appears from what he is telling you. Then turning to February 24th, the last sentence in the second paragraph under that heading reads: "Police Constable Wright stated that there were good grounds for believing"------

THE COMMISSIONER: Where do I pick it up?

MR. MacKINNON: February 24th, the last sentence of the second paragraph.

THE COMMISSIONER: Yes, I see it now.

MR. MacKINNON: "Police Constable Wright stated that there were good grounds for believing that someone of the Anti-Gambling Branch was forwarding information to the gamblers. He would not elaborate further at this time but said he would meet me in Toronto this coming Monday and we would have a long talk". Now once again that statement turned out to be a correct statement of fact, did it not? Lawrence and Lamarie were the two he was referring to, were they not?

A. Yes sir, that is true.

Q. And they confirmed this to you

subsequently did they not?

A. Yes sir.

Q. Then at the bottom of that first page of his third report you say as follows: "He" -- meaning Police Constable Wright----"also said that on February 26th_---

THE COMMISSIONER: Wait a minute now.

MR. MacKINNON: It is the very last sentence.

THE COMMISSIONER: It is single spacing and I cannot see it as quickly as you do

MR. MacKINNON: I may have a different copy. In mine it is the very last line.

THE COMMISSIONER: "He also said"---

MR. MacKINNON: "He also said that on February 26th when the Anti-Gambling Branch raided the Club at Cooksville P. C. Lamorie in the presence of two of the principals of the Vets Club was talking about phoning home to check on the condition of his daughter who was ill. As he went to the pay phone one of the principals of the Club said 'be careful you don't phone Sammy Balsam'. At this remark Constable Lamorie supposedly became quite flustered and stuck for words". Now do you know whether this incident took place as I am told it did? Were you told by someone other than Police Constable Wright?

A. Yes sir.

Q. Who told you?

A. Constable Moore of the Anti-Gambling Branch.

Q. Constable Moore was present at that time?

A. Yes sir.

Q. So that this was a correct statement so far as you have been able to ascertain?

A. Certainly in nature if not specifically.

THE COMMISSIONER: Certainly what?

A. Certainly in nature if not specifically.

Q. I do not know what that means?

A. I mean that was not the exact circumstance that happened, but it was something to that effect.

MR. MacKINNON: There was a reference to Sammy Balsom?

A. Yes sir.

Q. Made to Constable Lamorie?

A. Yes sir.

Q. And he became flustered?

A. Yes sir.

Q. Then on the second page-----

THE COMMISSIONER: Now somebody reported that to you?

MR. MacKINNON: Constable Moore did, he said.

A. Yes sir.

A. Considerable points of the Anti-Conviction Amendment.

Q. Considerable Bills been presented on that score?

A. Yes sir.

Q. Do you feel that is a serious misfortune or that we are being been quite so successful?

A. Certainly in making it not quantitatively.

Q. Certainly in making it not qualitatively.

A. I do not know what had happened otherwise that happened. But it was something at least novel.

Q. Anything that had a tendency to keep delegates?

A. Yes sir.

Q. Does the Convention increase?

A. Yes sir.

Q. Had in Tennessee Florence?

A. Yes sir.

Q. Then in the second Congress-- the Constitution, the seventy delegates that had to vote.

Q. Did Chairman Jones ever be in trouble.

A. Yes sir.

Q. Did Constable Moore or Police Constable Wright tell you who these principals were that you mentioned?

A. I don't believe Wright did. Moore may have told me, but I don't recall.

Q. All right. Moving down five paragraphs, and that seems to be the next bit of information you received, you state: "I was informed by Police Constable Wright that one Albert Ianzelli of Niagara Falls was looking into the possibility of opending a gambling house in St. Catharines. Ianzelli was thought to be the principal in the Ramsay Club when it was located on Victoria Avenue, Niagara Falls and last prosecuted by this Department. I am not aware of Sergeant Anderson's information regarding the position of Albert Ianzelli in the Ramsay Club at this time, but I am informed by P. C. Wright that as far as he is concerned Ianzelli has no interest in the Ramsay Club". Then he refers to Ianzelli approaching the St. Catharines Police Department with regard to protection, and you asked P. C. Wright to keep you informed of this matter. Now did that subsequently turn out to be correct, that there was a gambling house opened in St. Catharines? I believe you stated it did not get off the ground, but was there one in process of opening?

A. I feel that there was. There was

Q. Did Constable Moore or Police Constable Wright tell you who these principals were?

A. I don't believe Wright did. Moore may have told me, but I don't remember.

Q. All right. Among these five persons, and that seems to be the most all of information you received, you stated "I was informed by Police Constable Moore that one Albert Iannelli of Niagara Falls was involved in the possibility of causing a gaming house in St. Catharines. Iannelli was thought to be the principal in the Massey Club when it was located on Ontario Avenue, Niagara Falls and last operated by Dalo Bagnoccal. I am not sure of Constable Moore's information regarding the position of Albert Iannelli in the Massey Club at this time. Did I be informed by A. G. Morgan and or for or be in connection Iannelli was a interest in the Massey Club?". Then he refers to Iannelli approaching the St. Catharines Police Department with regard to protection, and you added P. C. Knight to keep you informed of this matter. Now did that subsequently turn out to be correct, that there was a gaming house opened in St. Catharines? I believe you stated it did not get off the ground, but was there one in process of opening?

A. I feel that there was. There was

in fact club rooms in St. Catharines.

Q. Do you know whether Ianzelli had any interest in that club?

A. No, I do not.

Q. Then you have been asked already by Mr. Wilson about the next paragraph, but if I may just read to you the last sentence: "He said that the charter was due to be cancelled but someone in the Department of the Attorney-General"----

THE COMMISSIONER: Where is that?

MR. MacKINNON: This is the very next paragraph, the last sentence in that paragraph: "He said that the charter was due to be cancelled but someone in the Department of the Attorney-General had blocked the proceedings". First of all did you discuss as to how the proceeding had been blocked, in what fashion?

A. No sir.

Q. He did not elaborate on this?

A. No sir.

Q. Now do not give me any names, but did he mention any names to you?

A. No sir.

Q. Then in the next paragraph and the last sentence of that paragraph---

THE COMMISSIONER: Just a moment. This was February 29th?

MR. MacKINNON: You report Wright as telling you and I am quoting "on the other hand he said he personally knew the names

of some officers on that force---- and he is talking about the Toronto Morality Squad --- "who were looking after the betting establishments in the Lakeshore area". Did you have any further discussion on this point?

A. With whom?

Q. With Wright?

A. Not that I recall, sir.

Q. Once again, no names, but did he mention names to you of the officers he personally knew to be looking after these betting establishments?

A. No. He made reference to a Toronto Police Officer subsequently to this.

Q. But in this connection?

A. No, not specifically in this connection.

Q. Then the rest of that page just seems to be historical. I do not think there is anything else in that report. Then turning to your fourth report dated March 16th, the first few dates seem to be dealing just with your reporting to Wright on what was going to happen on the Branch, but on March 13th apparently he did convey some more information to you, and this was done in a Belleville motel room, is that correct?

A. That is correct, sir.

Q. Then the first thing under Sundny, March 13th, under the heading (a)

it reads as follows: "a person by the name of Nicoletti from the United States controls the Ramsay Club at Niagara Falls. Nicoletti is an agent for one of the principals of the Mafia who is at present serving a jail term for participating in the Apalachin meeting". Now did you know this name Nicoletti?

A. I had just heard of it.

Q. And had you heard of it in connection with the Club at Niagara Falls?

A. Perhaps I did and perhaps I did not. I don't remember.

Q. You cannot recall?

A. No sir.

Q. And did he identify the principal of the Mafia for whom Nicoletti was allegedly the agent?

A. No sir.

Q. Did you have any more discussion of this particular item?

A. That is Nicoletti?

Q. That is right.

A. No sir.

Q. Either then or subsequently, with Wright?

A. No sir.

Q. And then in (b) you talked once again about the gaming house at St. Catharines going to open, but later on in your next report you say the plans were

changed. Then (f) "There are nine partners in the Vets Club at Cooksville. Some of these partners are silent partners, play no active part in the management". Now did Wright tell you this on that occasion?

A. He told me that some of the partners are silent partners.

Q. Did he tell you that there were nine partners?

A. Yes sir.

Q. Presumaoly you would be interested in those people, would you not?

A. Yes sir, certainly.

Q. Did he tell you who they were?

A. No sir, he did not.

Q. Did you not ask him?

A. No sir, I did not.

Q. Did he tell you how he had discovered this?

A. No sir.

Q. Did he tell you that some of these partners were from outside this country?

A. No sir.

Q. Did he tell you that there were some from Detroit?

A. No sir.

Q. The nine partners were not identified in any way then to you?

A. No sir.

Q. Did he assume that you knew

damaged. Then (.) There are also petitions in the Vote Club as Doncaster. Some of these petitions are slanderous. Why do Conservative peers in the meantime?. Did you consider that was the [illegible]

Q. Do you by chance know of any petitions are signed anyhow.

Q. Did he tell you that Lord Lucas was some partners?

A. [illegible]

Q. Presumably you would be interested in [illegible] people, would you not?

A. Yes sir, certainly.

Q. Did he tell you why they were?

A. No sir, he did not.

Q. Did you ask him?

A. No sir, I did not.

Q. Did he tell you he had no idea [illegible]?

A. [illegible]

Q. Did he tell you that [illegible] [illegible] Lord Lucas?

A. No sir.

Q. Did he tell you that [illegible] some [illegible] Conservatives?

A. No sir.

Q. The same petitions were not [illegible] in any way been to [illegible]?

A. [illegible]

Q. Did he assure that you knew

whom he was talking about?

A. In some respects he would.

Q. In what respects?

A. In that it was common knowledge to both of us.

Q. Yes?

A. Common police knowledge, I should say.

Q. Yes?

A. That McDermott and Feeley were two, and Ernest Midgley another.

THE COMMISSIONER: Ernest who?

A. Midgley. Other than that I don't feel that he would assume that I knew of any others.

MR. MacKINNON: Was it common knowledge between the two of you that anyone else had an interest in this Club?

A. Well, Jackie Riggs. That may have been common knowledge or not, I could not honestly say that it was common knowledge.

Q. Was Bluestein mentioned as having an interest in this club?

A. No sir.

Q. This is (g) the very next item: "Felix Borrelli" - and we have heard about him already in this connection - "Is the thieves representative at the Ramsay Club Niagara Falls". Was Borrelli connected with the Ramsay Club in Niagara Falls?

when he was talking about?

A. In some programs he would.

Q. In what respect?

A. In what is now known monitors in order to us.

Q. Very?

A. Common pulses involves, I should say.

Q. Very?

A. That's interesting and Dooley were, and Grover Murphy witness.

Mr. [illegible] Second year.

A. Midgley. Grover then died I don't feel that he would answer that I know of any reason.

Mr. Pritchard. Only a person qualifying [illegible] was [illegible] expert by an interest in this case.

Q. Well: Dennis Ryan. Have you never been around knowledge of him, I mean a personally say that he was common knowledge.

A. The Electronic [illegible] involved in interest in this case?

A. No sir.

Q. This is (p) the very most [illegible] "Data Processing" - but we have heard about the already in [illegible] - Is he [illegible] cooperative to the Murray Club Mission Bible?. Has Dooley's [illegible] the Murray Club in Mission Bible?

A. I believe he was.

Q. Had you ever made any raids on the Ramsay Club yourself?

A. I had been present on raids, yes sir.

Q. And was Borrelli not on the premises when you made these raids?

A. Yes sir, he was, I would say possibly without exception.

Q. Then (i): "I asked Constable Wright why the thieves did not start a gaming house in the Windsor area where there was suitable clientele. He replied that one reason was that they were scared of Sergeant Hatch. Constable Wright said 'Some day I will tell you a story about Windsor'. He then went on to say that it is a wonder the Commissioner doesn't stop to think of the ineffectiveness of the efforts of the Anti-Gambling Branch in connection with the Club in Windsor. Then when it is put in the hands of Sergeant Hatch the Club is put out of business". Now did you know that Club in Windsor?

A. Yes sir, I knew something of it.

Q. The Roseland Club, was it not?

A. Yes sir.

Q. And was this another one of Feeley and McDermott's operations?

A. I believe that it was.

THE COMMISSIONER: Why do you believe that?

A. Well, in subsequent conversation with Wright I was informed that he was making something like $1,000.00 a month for Windsor alone, when it was operating.

MR. MacKINNON: Wright was?

A. Yes.

Q. Protection money?

A. Yes, and it was put to me in such a way that the Club at Windsor was operated by McDermott and Feeley. It was the same people he was engaged with, taking bribes from.

Q. I see, and did he tell you the story about Windsor that he said he would tell you some day?

A. He did tell me something about Windsor. I already knew something about it, but I have a very vague recollection of what he said about it.

Q. Well, can you give it to us?

A. It was just this, that he stressed what a problem they had there. They did not know what was going to happen. It involved a private witness.

Q. The Club did not?

A. That is right.

Q. Because Hatch was operating?

A. I don't know if it was because Hatch was operating or not, but I do have a vague recollection of him stressing the point

Mr. Chairman, may I ask Senator Brent

Q. Well, in responsive correspondence from Senator I was informed that the Minnesota Attorney General [illegible]

Mr. Buchanan. Bridge Tour

Q. Yes.

Q. Thoroughly sorry?

A. Yes, and it was just as we go in such a way that the Club at Stadium was operated by Economics and Theory. It was the same period in and required with Prefect Bureau Tours.

Q. I see. And did he call you his young friend Senator that he felt he would call you a [illegible]?

A. He did call me something about Senator. I already have commitment about it, but I have a very vague recollection of what he said about it.

Q. Well, can you give it to me?

A. It was just that, that he somewhere had a problem that had occurred. That did not mean what was going to happen. He discussed a variety of things.

Q. The Tour Of [illegible]

A. That is right.

Q. Someone Senator [illegible]?

A. I don't know if it is the because Senator [illegible] or not, but I do have a

that they did not know.

Q. When they were going to be raided?

A. No, what the evidence was.

Q. Did he ever mention as to what attempt they had made to ascertain what the evidence was?

A. He may have done.

Q. Did he mention a lawyer going down posing as a shirt salesman?

A. No sir.

Q. Now do you know that Sergeant Hatch, prior to the closing of this Club, requested that he not be directed to make any reports on what he was doing down there because he felt these reports were getting into the hands of the gamblers and his efforts were being frustrated?

A. I have been informed.

Q. You know that?

A. Yes sir.

Q. And that he was given permission to not make reports, was he not?

A. Yes sir.

Q. And shortly thereafter he was able to make a successful raid on this Club, was he not?

A. I don't know the time sequence.

Q. Well, the club was closed down and "Curly" Gardiner pleaded guilty, did he

not, to a gaming house charge?

A. I believe there was a change of plea part way through the trial, or something. I am not that familiar with it.

Q. You were not involved in this particular raid?

A. No sir.

Q. Then (j)-- this is the very next item -- "P. C. Wright stated that an officer recently transferred from Picton Detachment to the Belleville Detachment had related to him that sometime ago he had been at Toronto in the company of 'Razor' Sullivan, a well known Toronto gambler and had accompanied Sullivan to the Club at Cookeville and watched a 'bank' crap game operate". Now once again, did P. C. Wright give you the name of that officer?

A. No sir, not that I recall.

Q. Did your superiors request that you secure the name of that officer?

A. I don't believe so.

Q. He was referring to an Ontario Provincial Police Officer was he not?

A. Yes sir. I think I identified him by the statement of Wright that he was involved in the recent transfer from the Picton Detachment.

Q. Do you know whether this Constable was subsequently interviewed as to what he knew about this 'bank' crap game?

rob, to a young house owner?

A. I believe there was a number of also part of Toronto the South.

Q. I am not too familiar with it.

Q. You were not involved in this particular raid?

A. No sir.

Q. Then (1) -- this is the very next item -- "P. C. Hodges received from an officer recently transferred from Station Detachment to the Bathurst Detachment and relieved to his that somewhere ago. he had been at Toronto in the company of 'Mooney' Williams, a well known Toronto gambler and had accompanied Williams to the Club at Coatsville and returned a 'back' stop game operator". Now once again, can I ask Hodges give you the name of that officer?

A. No sir, not that I recall.

Q. Did your Superiors suggest that you ensure the name of that officer?

A. I don't recall.

Q. He was referring to an Ontario Provincial Police officer was he not?

A. Yes sir. I think I identified him as the exchange of things that he was involved in the travel detailed (?) the Plains Detachment.

Q. In the June Bathurst 1951.

Superintendent Lafontaine Inspector Mc

A. I believe he was.

Q. And was he available then to give evidence as to the type of game they were operating out of these premises

A. I believe there was a statement taken from him, and it was contrary to that statement.

Q. He denied having been in the company of Razor Sullivan?

A. Well, I think you have the wrong witness to ask that?

Q. This would be once again Inspector Graham?

A. I don't know who took that statement.

Q. Well, we will find out. Then going to Monday, March 14th, the Police Constable advised you on that date that his contacts were not going to obtain an interest in the alleged gaming house at St. Catharines. That was the information he gave you on that date, was it?

A. Yes sir.

Q. And then the rest seems once again just the information you gave him.

Then turning to your fifth report dated April 2nd, 1960, once again the first bit of information that Wright appears to be giving you appears in your record for Tuesday, March 22nd, and it is

in the middle of the second paragraph under that date. You say "I explained to Wright that Sergeant Anderson to my knowledge"----

THE COMMISSIONER: Wait until I pick it up.

MR. MacKINNON: It is right after the date March 18th, 1960, sir.

THE COMMISSIONER: I thought you said March 22nd.

MR. MacKINNON: In the middle of the report he refers to a date.

THE COMMISSIONER: It is pretty hard to pick it up in this single spacing, and mine is a carbon copy. Yes, I see it now, thank you.

MR. MacKINNON: I am reading from your report, Constable "I explained to Wright that Sergeant Anderson to my knowledge wasn't at Fort Erie the past week. Wright said that Anderson was seen in the Bright Spot restaurant in the City of Niagara Falls. He wondered if there might be an undercover man in that area. In answer to this query I replied 'no'." Now this was a correct statement of fact was it not, that Anderson had been in the Bright Spot restaurant?

A. Yes sir, it was.

Q. Pardon?

A. Yes sir, it was.

Q. And he was seen there by one Henry Damore who was an employee of the Ramsay Club, is that correct?

A. I would say he was an employee. He certainly worked there, at the snack bar there.

THE COMMISSIONER: Yes, but do you know that Anderson was seen by him?

A. I have been informed.

MR. MacKINNON: Were you informed by Anderson?

A. Yes sir.

Q. Then turning to Tuesday, March 29th under heading (a), once again Wright is giving you some information, and he is advising you that the proposed gaming house in St. Catharines will not open. He says, "However, in its stead a large betting house" and then he went on to say that he had the opportunity of furnishing the protection for this establishment, and you both decided it would be too risky to go in on it. Now do you know whether a large betting house was opened or whether an attempt was made to open a large betting house in St. Catharines?

A. No sir, I do not.

Q. This was on March 29th?

A. Yes sir.

Q. Then (b) "P. C. Wright stated that the Club at Cooksville was dying a slow

death because of two large floating crap games" and he identifies certain interests as operating them. Did you have this discussion with Police Constable Wright?

A. Yes sir.

Q. And did he identify the two large floating crap games?

A. No sir.

Q. Did he advise you as to the interests behind these crap games? Did he mention Bluestein?

A. No sir.

THE COMMISSIONER: Did he mention anyone?

A. No sir.

MR. MacKINNON: Did you know whom he was talking about?

A. No sir.

Q. You did not ask him any question about these interests who were operating these crap games?

A. No sir, I did not.

Q. Under (c) you talk about the four betting houses, and I believe you have already dealt with these with Mr. Wilson. Then under (d) "P. C. Wright stated that he had been informed that a Federal charter had been granted to an organization in the Toronto area and that a large gaming house was going to open either in Metropolitan

hand manner of the Langfitt[illegible] and Lamar and the Quantico [illegible] [illegible] ting them. Did you have this discussion with Colonel Donnally [illegible]?

A. Yes sir.

Q. And did he identify the two [illegible] Fishing and Lamar?

A. No sir.

Q. Did he advise you as to the [illegible] Naval [illegible] [illegible] [illegible]?

A. No sir.

[illegible]

A. No sir.

Q. Mr. Bantiman, did you have [illegible] [illegible] [illegible] [illegible]?

A. No sir.

Q. You did not ask him any questions about these [illegible] and [illegible] [illegible] [illegible]?

A. No sir. I did not.

Q. Under (c) you talk about two [illegible] [illegible], and I believe you have already [illegible] [illegible] [illegible]. Then under (d) "C. G. Wright [illegible] and he had been informed that a Federal [illegible] had been [illegible] to [illegible] [illegible] [illegible] and that a large [illegible] was going to [illegible] [illegible] [illegible]

Toronto or just outside the Metropolitan area". Now did Wright advise you as to had informed him of this?

A. No sir.

Q. And did he tell you the name of this Club?

A. No sir.

Q. Did you ever identify this alleged Club?

A. No sir, I did not.

Q. Did anyone else ever identify it as a result of this statement made in here?

A. The only thing I recall regarding that statement was that I did have some discussion along with some of my other officers, with the Toronto Police Department, and there was something established in that respect. I could not say just what it was. There seemed to be some truth to the statement.

Q. There seemed to be some truth to this statement?

A. Not that the Club had opened but that the charter had been issued.

Q. There had been some attempt to open?

A. Yes.

Q. Who could give us that information? Would it be Sergeant Anderson or Inspector Graham?

A. No sir. If anybody a Toronto

Police Officer. Now I am not prepared to say definitely what was established in this regard.

Q. Then apparently under (e) you once again went back at Police Constable Wright about Windsor, and you state that you asked him why a gaming house was not established at Windsor, and he stated that one Fred Gariner went a little crazy while in jail.

THE COMMISSIONER: That is "Curly"?

MR. MacKINNON: That is Curly Gardiner is it not?

A. Yes sir.

Q. "And secondly Sergeant Hatch would bother them no end". You had that conversation with Police Constable Wright?

A. Yes sir.

Q. Then under (g) it says" "Police Constable WRight stated that the thieves and David Humphry, their solicitor, were developing a gold mine in the area north of Port Arthur. He further stated that the aforementioned parties had invested $100,000.00 in the mine. Now what other discussion did you have about this gold mine with Police Constable Wright?

A. Well, Wright did say that----

Q. The date is March 29th, witness?

A. He mentioned that in opening up this particular mine or this area, they were receiving considerable help from the Department of Mines.

Q. Did he say whether there was any special reason for this?

A. No sir, not that I recall.

Q. Was the suggestion that they were getting preferred treatment in this connection?

THE COMMISSIONER: Well, just a moment.

MR. MacKINNON: May I see your diary, please?

A. Yes. It is just a brief note.

MR. MacKINNON: I think, with respect, that is an appropriate question.

THE COMMISSIONER: Well, I am a little doubtful about it. It seems to cover a wide area.

MR. MacKINNON: I wonder if you will point it out to me, Constable. I am not criticizing your handwriting, but I wonder if you can find it for me?

A. All I have here is "Help from Ontario Department of Mines".

Q. Can you elaborate on that in any fashion?

A. No, I do not think it would be fair to elaborate.

THE COMMISSIONER: It would not be fair to elaborate, or because you cannot do you mean?

A. Well, I am given to understand

Q. Did he pay another fund, the

any special reason for doing

A. To AVV, at Ban I Dwalli.

Q. Was the assembly that day

were getting particular treatment in Jaia,

[illegible]?

THE COMMISSIONER: Well, put a [illegible].

MR. MACKINNON: May I ask your [illegible]

[illegible]?

A. Yes. It is just a brief note.

MR. MACKINNON: I think, sir, that [illegible]

that is an appropriate question.

THE COMMISSIONER: Well, I am a little [illegible] about it. It seems to cover a wide [illegible].

MR. MACKINNON: I mean if you will [illegible] is not to me, Commissioner. I am not [illegible] MACKINNON, but I think if you can find it for me?

A. All I have said is "Help from [illegible] Department of Mines".

Q. Can you elaborate on that in any fashion?

A. No. I do not think it would be fair to elaborate.

THE COMMISSIONER: It would not be fair to elaborate, or because you cannot do you know?

A. Well, I am given to understand

that the Department of Mines is prepared to help mining interests. There is nothing unusual about it, the fact that Wright said this, I would not like to draw any conclusions or elaborate on it.

MR. MacKINNON: Now you gave evidence on this particular matter at the preliminary hearing, did you not?

A. At the.....?

Q. At the preliminary hearing of the charges against Robert J. Wright, Joseph F. McDermott and Vincent Feeley?

A. Yes sir.

Q. And did not you have more to say about this matter at the preliminary hearing?

A. I don't believe so, sir.

Q. Well, may I read from page 177 and you can advise me as to whether this is a correct transcript of what you said. It is line 20:

"Q. What discussion and comments, if "any, did he make about the thieves "or McDermott or Feeley on this "occasion?

"A. He told me that the thieves' "interests had turned to mining "to a very great extent".

Is that correct?

A. Yes sir.

Q. "For example he told me that
"McDermott and Feeley along
"with Dave Humphry were
"developing a fold mine north
"of Port Arthur, and in this
"gold mine at this time they
"had invested $100,000.00".

Is that correct?

A. Yes sir.

Q. "He told me that he had been
"at McDermott's house and he said
"that you would be amazed at the
"material relating to mining that
"you would find in this house, he
"said maps all over the place".

Is that correct?

A. Yes.

Q. "He said with regard to this gold
"mine that this venture was
"receiving considerable help from
"the Ontario Department of Mines
"for development of this particular
"area".

Is that correct?

A. That is what I have just said it was.

Q. You did not tell us the earlier part though. You had forgotten that had you?

A. I had not forgotten anything.

Q. I beg your pardon?

A. I had not forgotten anything.

Q. You did not tell us about him advising you that he had been to McDermott's house?

A. You did not ask me.

Q. And that you would be amazed at the material relating to this mining venture in the house?

A. Well, you did not ask me that.

Q. I asked you for everything you spoke to this man about with relation to this mining venture. Now I do not know what he told you. This is what I would like to get from you?

A. I thought you were speaking with respect to the mine itself.

Q. He told you the location of the mine die he not?

A. I believe he said somewhere north of Port Arthur.

Q. Did you have any subsequent discussion with him about this particular mining venture or mining generally?

THE COMMISSIONER: Is it one o'clock? My watch is slow.

MR. MacKINNON: Yes, it is one o'clock. Maybe he could be looking through his notes over the noon hour.

THE COMMISSIONER: Very well, we will adjourn until 2:15.

Q. I feel you remember everything.

Q. You did not tell us what big surprise you that he had been to Johnson's house?

A. Yes, that's the one.

Q. Did your client be seeing as the material evidence by this taking money in the house?

A. Well, you did not ask me that.

Q. I meant just before everything the go to this man around with relation to this missing vehicle. Now I do not have what to tell you. This is what I would like to ask from you.

A. I thought you were speaking [illegible] to the grand jury.

Q. He told you the location of the car did he?

A. I believe he said something about it was Albany.

Q. Did you have any conversation therein with him about the particular missing vehicle or missing personality?

MR. CHAMBERLAIN: It is one o'clock or seven is also.

MR. DEWITT: Yes, it is one o'clock, there he could be looking through his notes over the noon hour.

MR. CHAMBERLAIN: Very well, we will adjourn until 2:00.

----Thereupon the hearing was adjourned at 1:00 p.m. until 2:15 P.M.

(Page 1603 follows)

---On resuming at 2.20 P.M.

GEORGE SCOTT resumes the box

EXAMINATION BY MR MACKINNON: (resumed)

Q. At the adjournment, Witness, you were going to consider as to whether anything further had been said to you by Wright at any time with regard to McDermott's connection with the Department of Mines. Was Mines Minister Maloney's name mentioned to you?

A. Just with reference to the brief on the Ramsay Club. Oh yes, pardon me; on another occasion -- I don't recall the date, it may have been this here March 29th -- I recall that Wright told me a story about some person came to the Department of Mines with some mineral. It wasn't a precious metal or anything but some rare mineral. And he said that the Minister of Mines had directed that Feely and McDermott try and get hold of the claims where this mineral came from. This man had brought this mineral to Queen's Park to have it identified.

Q. In what connection was this told to you?

A. Well, this was probably told to me on this date. Now, I am not certain of that.

[illegible]

—— [illegible]

[illegible]

[illegible] (Resumed)

Q. As the [illegible], mistress, you were going to testify to a verbal agreement between [illegible] and you by virtue of any [illegible] to defendants's connection with the department of [illegible]. Was there anything [illegible] mentioned to you?

A. Just with reference to the [illegible] on the Kenney Club. Oh yes, perhaps my [illegible] — I don't remember the date. At my house some time [illegible] — I recall that Ralph told me a story about some person come to the department on [illegible] with some [illegible]. It wasn't a [illegible] or [illegible] some rare [illegible]. And he said that the [illegible] of [illegible] [illegible] [illegible] and get hold of the claims [illegible] time [illegible] came down. [illegible] [illegible] time [illegible] to [illegible]'s [illegible] to [illegible] it [illegible].

Q. In what connection was this [illegible] to you?

A. Well, this was [illegible] [illegible] to me on this [illegible]. Now, I am not certain of [illegible].

I am almost certain it was this date, March 29th. You were referring me to a further conversation regarding mining. I thought you were first referring to the gold mine north of Port Arthur, the discussion on that point.

Now I was also told by Wright that he had been at McDermott's house and he told me I would be amazed at the interest he had in mining, and he said that McDermott's house was full of books on mining and maps on mining.

Q. Did he tell you who this man's name was who had appeared at the Mines Department with this mineral sample?

A. No, sir, he did not.

Q. At no time?

A. No, sir.

Q. Then if I might just skip a bit, were you one of those who executed a search warrant on McDermott's home?

A. Yes, sir.

Q. And did you find mining literature in the home?

A. Yes, sir.

Q. And maps?

A. Yes, sir.

Q. So this information as to the literature and maps in McDermott's home given to you by Wright proved to be correct?

A. Yes, sir.

Q. Did you execute the search warrant

I am against motion if you take that, Judge Ziegler.

Judge. You were referring me to a further conversation regarding meeting. I thought you were first referring to the jury-room meeting on that matter, the discussion on that point.

Mr. [illegible] by saying that he had been at McCormack's house and he felt he would be amused at the instructions he had in mind, that he felt Judge McCormack's house was full of books on marriage and sex on marriage.

Q. Did he tell you who that man's name was the first time you met him?

A. No, sir, he did not.

Q. Or on time?

A. No, sir.

Q. Was it Judge Jack Daly's job, well you know it was not Judge Daly's job, but was it another member of McCormack's house?

A. Yes, sir.

Q. Who did you find relating Litchman to the family?

A. Yes, sir.

Q. And money?

A. Yes, sir.

Q. So this information on to the literature and maps in McCormack's house given to you by counsel proved to be correct?

A. Yes, sir.

Q. And you recalls [illegible] a [illegible] meeting

on Humphrey's home as well?

A. I assisted in the execution, sir.

Q. Did you find any mining literature there?

A. Not that I recall.

Q. Please check.

A. (After looking in booklet). No, sir, I don't recall.

Q. What is that booklet you were looking at just now?

A. The conventional police officer's notebook.

Q. Does it differ from your diary, sir?

A. It differs in this respect, that it covers different events.

Q. Did you have these conventional police notebooks that you were filling with notes at the time you were doing this under-cover work?

A. Some of them. Some of them are for past dates.

Q. For the periods February, 1960, to the end of May, 1960, when you were doing this undercover work did you have any of these notebooks that you now have in front of you which you were using at that time?

THE COMMISSIONER: Q. Did you have any notebooks?

on Humphrey's home as well?

A. I believed in the possibility.

Q. Did you discover anything, Detective Stoneck?

A. Not then I recall.

Q. Please speak.

A. (Pause lowering its head). No, sorry I don't recall.

Q. Could it have somewhere you were looking on June 22nd?

A. The conversations polices officers'a personally.

Q. Then it might then you didn't find?

A. It differs then everything.

Q. Did you have those conversations police officers when you were filling with Hunt LT Trevor Hallowson Jones?

A. Some of them. Some of them are for point dates.

Q. For the previous February. Then, so two and of day. Like, when you were doing this discovery work did you have any of those notebooks that you now have in front of you which you were using at that time?

The Commissioner: Q. Did you have any notebooks?

A. Which I was using for the investigation?

MR MACKINNON: Q. That's right.

A. No, sir.

Q. So your diary is the source of the information that you are giving us, plus these reports that have been filed as an exhibit here; is that correct?

A. My notes of that investigation are contained in a provincial police diary, sir.

Q. Well, do they differ in any regard?

THE COMMISSIONER: From what? From the reports?

MR MACKINNON: Q. Your reports, do they differ in any regard from the notes entered in your diary?

A. No. Perhaps the reports may be a bit fuller.

MR MACKINNON: I wonder, Mr Commissioner, if we might have that diary filed as an Exhibit so we might look at it a little more leisurely later?

THE COMMISSIONER: Q. Have you that here?

A. Yes, my lord. (Produced)

-----EXHIBIT NO. 89: Constable Scott's Diary.

MR MACKINNON: Q. Now, turning to your sixth report, which is dated April 14th, 1960, and I believe, sir, numbered page 15 in your collection, under date of Sunday, April 10th, you state that Police Constable Wright called you at home and stated that the club at St. Catharines was going to operate this evening and that it would run two or three nights a week. Did you subsequently establish whether that statement was correct or not?

A. No, sir.

Q. You don't know whether the club did operate Sunday, April 10th, or whether it ran for two or three nights a week thereafter?

A. No, sir.

Q. Then you state that Police Constable Wright inquired as to the source of the information leading to the raid on Chuck Davidson's back end at Port Credit. "I told him that I was not sure as to the source of the information but that I had thought it had been forwarded to Sgt. Anderson from another police department." Police Constable Wright intimated that the Thieves were showing some concern through the thought that if they thought there was any suggestion the Thieves had supplied the information it would result in reprisals. Now, first of all, did you have any information that it was the Thieves

who had supplied the information in connection with the raid mentioned?

A. No, sir.

Q. What sort of reprisals were mentioned, if any, by P.C. Wright?

A. He didn't mention them.

Q. You had no discussion as to what these reprisals might be?

A. No. This would be common ground with Wright and I, what they would be.

Q. What would they be?

A. They would be — he would mean that the Thieves would be afraid that there would be information given to the police to get back at the Thieves bookmaking establishment.

Q. That was the type of reprisal meant?

A. That he would be referring to, yes.

Q. Now, some of these items have already been referred to, but turning to the second page of that report —

THE COMMISSIONER: What page number is it?

MR MACKINNON: Page 16, sir. It is dated April 12th. You apparently on that date met Police Constable Wright in the Wallace Hotel, East York, at 10.15 P.M.; is that correct?

A. Yes, sir.

Q. And under item 4 it states:

"Cpl. Shrubb's apartment was bugged

"and tape recordings made of convers-

"ations".

Were you able subsequently to check whether this was a correct statement of fact or not?

A. I did not attempt to check it. I know of no one else that attempted to check it.

Q. You have no further information on that?

A. No, sir.

Q. Did Wright give you any other information relative to this matter which showed that he knew the substance of Corporal Shrubb's conversations, thinking of this item 4 now? In other words, did he repeat to you any of these alleged tape recordings made of conversations?

A. No, sir, he did not.

Q. Then No. 5:

"Wright received $1,000 per month

"for looking after Windsor when it

"was in operation".

Did he advise you of this?

A. Yes, sir.

Q. What discussion did you have relative to that?

A. Well, the club at Windsor was

discussed in the main by Wright and this was said among other things which he said about the club. One thing he said was that when the club was closed down the principals lost $250,000.

Q. Now, that is item 14. Was that $250,000 a year?

A. No; I took that to be the closing of the club.

Q. This was a capital loss?

A. A capital loss, so to speak, yes.

Q. Did he tell you where he got that figure from?

A. No, sir.

Q. He didn't explain that it came from Feeley or McDermott?

A. No, sir.

Q. Then item 6:

"Wright supplied protection

"for Peterborough".

Did he advise you how this was done? By supplying protection, once again it was ~~fax~~ information on raids, was it?

A. Yes, sir.

Q. And where in Peterborough? Was it the Tisdale Club?

A. Yes, sir.

Q. And once again did he have any discussion with you as to the people who were

disappears in the main by trying and true one would assume Eldridge would be with Gender the case. The jury is asked that which the case was filmed from her perspective just like.

Q. Now, turn to item 14. Was that film used a great?

A. But I think that is the one relating to the film.

Q. This was a original film?

A. A recorded film, so the speaker.

Q. Had to tell you where to put the film Eugene Dunn?

A. No, sir.

Q. So Gender's position that it came from "Jury" or somewhere?

A. Yes, sir.

Q. Have time to

"Judge supplied production

"Use exploitation".

Did in saying you how this was done? Or supplying information, that would it was the information on record, was it?

A. Yes, sir.

Q. And where is Fredericksburg?

Was it the Florida Club?

A. Yes, sir.

Q. And some women did be have any

discussion with Jeff as to his right to use

disappears in the main by trying and true one would assume Eldridge would be with Gender the case. The jury is asked that which the case was filmed from her perspective just like.

Q. Now, turn to item 14. Was that film used a great?

A. But I think that is the one relating to the film.

Q. This was a original film?

A. A recorded film, so the speaker.

Q. Had to tell you where to put the film Eugene Dunn?

A. No, sir.

Q. So Gender's position that it came from "Jury" or somewhere?

A. Yes, sir.

Q. Have time to

"Judge supplied production

"Use exploitation".

Did in saying you how this was done? Or supplying information, that would it was the information on record, was it?

A. Yes, sir.

Q. And where is Fredericksburg?

Was it the Florida Club?

A. Yes, sir.

Q. And some women did be have any

behind the Tisdale Club?

A. No, sir.

Q. Well, was it clear as a result of all your discussions with him that the people to whom he was supplying information were throughout the piece Feeley and McDermott?

A. Oh yes, sir. There was a lot taken for granted here. I was expected to assume so much, which of course I did.

Q. So Feeley and McDermott were in the Windsor operation, they were in the Peterborough club, they were in the Ramsay Club, they were in the Vets Club; is that correct?

A. I believe that; yes, sir.

THE COMMISSIONER: Who was the other witness who told us about that?

MR MACKINNON: Sol Gebirtig. He also told us about the Jordan Club and the Finnish Club.

THE COMMISSIONER: Yes.

MR MACKINNON: Q. Incidentally, did Wright mention either the Jordan Club or the Finnish Club in any of his conversations with you?

A. Not that I recall, sir.

Q. Then item No. 7:

"Sherbourne St. office was bugged "the mike being hidden behind the "fireplace. Observations were

"later kept from a room across the "street".

Now, do you know whether any part of that statement was true?

A. Yes, I know the latter part of the statement was true.

Q. There were observations kept from a room across the street, were there?

A. Yes. I did know this prior to Wright telling me.

THE COMMISSIONER: Who made the observations?

MR MACKINNON: I think, sir, another witness will tell us about that.

THE WITNESS: I have read reports that there was an investigation conducted with respect to that.

Q. There were binoculars found there?

A. Yes.

Q. And they were observing Corporal Shrubb's movements?

A. There was some notation on a pad about it.

Q. That Corporal Shrubb left at such and such a time?

A. Yes.

Q. And someone later -- do you know this yourself -- someone later, a lawyer, came to claim the binoculars; is that not correct?

"Have Kept Down a room across the

"station".

Now, do you know whether any part of that station-

was one level

A. Yes. I know the latter part of

the evidence was true.

Q. Does your recollection fade

Q. Yes. I did have this matter in

mind calling on.

Q. Do you remember, the book the conver-

sation?

A. No, I cannot recall exactly what

was said on about such.

Q. Do you remember conversation with

Mr. Gordon on the investigation conducted with

respect to Clark.

Q. Have you interviewed Clark

recently

A. Yes.

Q. And Clark was a character Corporal

Grant's movements?

A. There was some reflection on a

good street 20.

Q. That Corporal Grant left at such

and such a time?

A. Yes.

Q. And somewhere later -- do you know

this yourself -- somewhere later, a larger, come

to claim the investigation, or did not arrive?

A. I seem to recall someone coming to claim the binoculars.

Q. Well, we can get that through another witness. No. 8 you have already discussed. Are you in a position to say, this having to do with the Ramsay Club brief, first of all whether this brief was composed by D. Humphrey, Police Constable Wright and others?

A. My — am I in a position to say it?

A. Yes.

THE COMMISSIONER: Just tell us what you know about it. Perhaps that would be a better way to go about it.

A. I would know that there was such a brief.

MR MACKINNON: Q. You do know there is such a brief?

A. Yes.

Q. And Police Constable Wright told you directly that he had assisted in its preparation?

A. Yes, sir.

Q. And he told you that David Humphrey, a lawyer, had assisted; is that correct?

A. Yes.

Q. Did he tell you in whose office it was typed?

Q. I mean to recall somewhat similar to claim the barometer.

A. Well, we can get that through another witness. No, I give some already discussed. Are you in a position to say, this morning to do with the Kenney Club Hotel.

Issue of all another this period was conducted by G. Bromley, Italian Consulate Italian and Spanish?

A. My — as I in a position to say that?

A. Yes.

MR. CONNOLLY: Just tell us where you have about 1?, Sunday night in a letter may in jail about 1?.

A. I would know that thing are been a letter.

MR. MCCARTHY: Q. You do know Bonno in Italy?

A. Yes.

Q. And Italian Consulate in Boston with you already been in jail concerned in the proceedings?

A. Yes, sir.

Q. Did he tell you that?

MR. CONNOLLY: Jumper, and accordingly in that manner?

A. Yes.

Q. Did he tell you in whose office he was trying?

A. No, sir.

Q. Did he tell you who the others were who assisted on it?

A. No, sir. The only thing I can recall further to what I have here is the effort that went into composing this brief. I do recall he made some mention about an extensive search in the law library at Osgoode Hall.

Q. Did he say who made that extensive search?

A. Not that I recall, sir.

Q. Well, did he suggest he had made the search personally?

A. No, sir.

Q. Then you have told us that it was forwarded to -- it appears as Fred Malone, M.P. in your diary and Arthur Maloney, Federal M.P., under the heading S, who gave it to James Maloney, present Ontario Minister of Mines.

MR WILSON: You are not quite accurately quoting what is in his diary.

MR MACKINNON: Well, I haven't seen it. You read it as "Fred Malone".

MR WILSON: "Federal M.P."

MR MACKINNON: That is what I said.

MR WILSON: You said under S that is what it read.

MR MACKINNON: Were you in any doubt about what I said, Mr Commissioner?

THE COMMISSIONER: No. He made it perfectly clear to me, Mr Wilson, that he was referring to what was in the diary, "Fred Malone" and "Arthur Maloney, Federal M.P." and then the reference to "James Maloney, present Minister of Mines".

MR MACKINNON: Q. And he in turn gave it to District Inspector Stringer. Have you any information on that sentence?

A. Yes.

Q. What is your information?

A. That is correct.

Q. That is a correct statement?

A. Yes, sir.

THE COMMISSIONER: Q. A correct statement of what Wright said?

A. No; Inspector Stringer did in fact give it to Sgt. Anderson.

MR MACKINNON: Q. You know that Inspector Stringer turned it over to Sergeant Anderson?

A. Yes, sir.

Q. Did Inspector Stringer state where he had got it from?

A. Well, you are getting into something that I am not too clear on now, sir.

THE COMMISSIONER: You better get that from Anderson.

MR MACKINNON: All right.

Q. Did Inspector Stringer have anything

THE CHAIRMAN: Mr. Smith is particularly clear to me, or claims, that he had reasons to work out in the diary, "Total salary" and "Gross salary, Industrial Ltd." and then the reasons for "Gross salary, personal expenses of Smith".

MR MACKENZIE: Q. And he is then given it by Harris Engineer Company. Does you say inferring or just guessing?

A. Yes.

Q. Then it goes backwards

A. That is correct.

Q. That is a normal procedure?

A. Yes, sir.

THE CHAIRMAN: Q. I mean, suppose he had stolen money?

A. The Judgment Creditor has to find ways to do that, Honourable.

MR MACKENZIE: Q. You have also Judgment Creditor burned at even to Judgment Debtor?

A. Yes, sir.

Q. And Judgment Creditor wants where he had got it from?

A. Well, you are putting into something that I am not too clear on yet, sir.

THE CHAIRMAN: Two points put to me these evidence.

MR MACKENZIE: It stands.

Q. And Judgment Creditor been certain

to do with the anti-gambling squad? Was he a member of it?

A. No, sir.

Q. Had he ever been a member of it?

A. I don't know.

Q. Not since you joined the squad?

A. No, sir.

Q. Where were his headquarters?

A. At Peterborough.

Q. And where were your hfeadquarters?

A. Toronto.

Q. So the one thing you do know, in any event, in this statement by Wright is that Inspector Stringer did turn the brief over to Sgt. Anderson?

A. Yes, sir.

Q. That was true?

A. Yes, sir.

Q. Then item No. 10:

"P.C. Wright had a partner on the "force but not on the branch. "The partner was cut out but "P.C. Wright did not receive "his partner's share as he anti- "cipated".

Now, was that partner identified to you?

A. Subsequently, yes, sir.

THE COMMISSIONER: Q. By whom?

A. By Wright.

Q. Do [illegible] the [illegible]-[illegible] [illegible] [illegible] a [illegible] [illegible] [illegible]

Q. Who was it?

A. John Cronin. He was a sergeant in the anti-gambling branch and then was transferred out of the anti-gambling branch into another department at Toronto.

MR MACKINNON: Q. The Unsatisfied Judgment Fund Branch, we have heard?

A. I believe that is right, sir.

Q. And he subsequently resigned?

A. Yes, sir.

Q. Then item No. 16 -- you have already dealt with 14 -- item No. 16:

"Gardiner was sprung from jail
"by the Thieves through politicians".

Now, what Gardiner was being discussed there?

A. Curly Gardiner.

Q. Had he been in jail?

A. Yes, sir.

Q. He was convicted on the Roseland prosecution?

A. Yes, sir.

Q. Was he released from jail ahead of his due date?

A. I am so informed, sir.

Q. You have no direct knowledge of that?

A. No, sir.

Q. Then item 17:

"Thieves have file on members

"of the branch, past and present".

Now, what did that mean?

A. A file on the personal life of members of the anti-gambling branch.

Q. Did he tell you anything about the personal life of members of the anti-gambling squad?

THE COMMISSIONER: Q. Just say Yes or No.

A. Yes.

MR MACKINNON: Q. Do you know whether those statements were true?

A. No, sir.

Q. Did this information he gave you come from these files, according to him?

A. No; they were given to me on a different occasion and different matter.

Q. Did he tell you that he had seen these files?

A. No, not that I recall, sir.

Q. Then 19 and 20, you are still discussing the St. Catharines Club which apparently hadn't opened as yet. Then 22 is this:

"Protection for the Ramsay Club
"was started with an initial
"payment from Albert Inuzelli
"to Sammy Balsam of $100. This
"was for information received from

"Ai the Jackson, Jack and Jackson".

Q. When did that merge

A. A file on the personal life of members of the Ind-Quelling Council.

Q. Did or did you negotiate about the personal life of members of the Ind-Quelling square?

MR CONSTANTINOUS: Q. Just say Yes or No.

A. Yes.

MR MCCOLLUM: Q. Do you have whether these photocopies were found

A. No, sir.

Q. Did said information be given you come from Glass Clim, according to Ray?

A. Mr Ray were given to me as a different occasion and different method.

Q. Did he tell you that he had seen Glass Clim?

A. No, not that I recall, sir.

Q. Then 19 and 20, you use phrase discussing the St. Catherine Club which apparently Brown's opened on you. Then 21 to this.

"Protection for the Energy Club

"was started with an initial

"payment from Albert Innovill

"to Sammy Nelson of $100. This

"was in [illegible] [illegible] [illegible]

"a source other than this "writer".

THE COMMISSIONER: I don't quite follow that.

MR MACKINNON: That is what I wanted to get clear, Mr Commissioner.

Q. "This writer", did that refer toyou, sir?

A. Yes.

Q. It does. And who told you it was for information received from a source other than you? Was that Police Constable Wright?

A. Yes. He didn't precisely say that. At this time it was generally established that there was another source of information from the anti-gambling branch.

Q. Did you ever establish ---

THE COMMISSIONER: Q. Let me understand that. Was Albert Inuzelli one of the operators of the Ramsay Club?

A. Well, as you recall this morning, my lord, I asked Wright once if he had any interest, I believe it was, in the Ramsay Club and he said at that time, as far as he was concerned, Inuzelli didn't have. But on another occasion he did have — he did say that he did have an interest but there was some -- I think the confusing part of it was he had an interest

but no control, if I make myself clear.

MR MACKINNON: Q. Was he supposed to be then a servant or agent for McDermott and Feeley?

A. No, sir.

THE COMMISSIONER: Q. Who was it?

A. The agent of Feeley and McDermott was Borrelli.

Q. Who was the agent for the member of the Mafia?

A. Wright says Nicoletti, my lord.

Q. Then, in any event, Inuzelli was purporting to have made a payment to Balsam of a hundred dollars as protection for the Ramsay Club, which Balsam of course in turn had to pay over to somebody else?

A. I would think so.

MR MACKINNON: Q. Balsam would pay part of it to someone else?

A. Well, Balsam, it is pretty well established, was the contact for other officers.

Q. Were you not told that by the other officers at a subsequent date?

A. That is quite right.

Q. Then item 24 of the same date: "If the club at Cooksville was "raided every night for a week it "would be out of business".

but no matter, if I make myself clear.

Mr McCONNOCHIE: Q. Was he supposed to be then a servant or agent for McCormack and Fowler?

A. No, sir.

Mr McCONNOCHIE: I rest my case.

A. The agent of Fowler and McCormack was somewhere.

Q. Did not the agent the bill broker in the matter?

A. Always was financial, my dear.

Q. Then, in my opinion, Innocent was purportedly to have made a payment to Fowler of a hundred dollars on presentation for the Sunny Side, using funds of Innocent to pay over to anonymous client?

A. I would guess so.

Mr McCONNOCHIE: I guess would by your of it to someone other?

A. Well, Madam, in is purely well established, was this constant use other [illegible].

Q. Were you not told that by the other witness at a subsequent date?

A. That is quite right.

Q. Then Item .6 of the same order "If the case of Underwood was "awarded every night for a week it "would be not of "[illegible]".

THE COMMISSIONER: What item is that?

MR MACKINNON: 24, sir, on page 17.

Q. Now, did Wright tell you McDermott and Feeley had told him this?

A. No, sir.

Q. Did you agree with that statement?

A. Did I agree at the time or do I agree now?

Q. Did you agree at the time and do you agree now?

THE COMMISSIONER: Q. Well, first what is the answer to the first part of that? Did you agree at the time?

A. I don't think I had really given it that much thought at the time. Now, do I agree now? I would agree if this information that was made available to the operators was not available.

MR MACKINNON: Q. And if you had raided them every night without a tip-off you might very well have been able to put them out of business?

A. I believe that. Not definitely though in one week, or in one week's time I should say.

Q. But constant raiding would disrupt their business sufficiently to make it difficult for them to operate, I take it?

[illegible]

Q. Now, did Wright tell you McDonnell and Crowley had sold gas that?

A. No, sir.

Q. Did you assume such that assumed?

A. Did I assume on the time as he [illegible] that?

Q. Did you report to the time that you [illegible]?

A. I don't think I had really given it that much consideration on the time. Now, do I regret that? I would agree it with information that was made available to the operators was not complete.

Q. And if you had realized that every [illegible] I believe [illegible] you would [illegible] have been made to put some end of [illegible]?

A. I believe that. The [illegible] though in one week, or in one month's time I should say.

Q. Had [illegible] [illegible] Mr. McDonnell [illegible] [illegible] by [illegible] I [illegible]

A. I believe so.

Q. And that indeed was what happened in Bertie Township with the Frontier Club; is that not correct?

A. I am so informed.

Q. It was the local police who did the raiding there?

A. They were assisted by the Provincial Police at some times.

Q. Then 25 refers to a chief of police of an Ontario city whom, it is stated, is called from the club at Cooksville to okay any cheques tendered by men from that city to the club. Now, did you do any checking on that?

A. Not personally I didn't, sir.

Q. How far back do theBell Telephone people keep their long distance slips for subscribers?

A. Besides the current tolls two months I believe, most often.

Q. Did you discuss this particular item — in checking it with the Bell Telephone — discuss this particular item with your superiors and the necessity for checking it out with the Bell Telephone?

A. There was an inquiry not through the Bell Telephone made with respect to this item, nothy myself. In other words, I did not

Q. I believe so.

Q. And that latter was what happened

At Oregon Township with the murderer claim in that not correct?

A. I am in ignorance.

Q. Is one the Ideal police was did

the matter there?

A. They were assisted by the Provincial Police in some fashion.

Q. When Jh returns to a point of position of an unknown city woman, is it standard, is getting from this club as commercial to carry any dangerous burdened by man from that city to this club. Now, did you do any checking on those?

A. Not personally I didn't.

Q. How far back do Detroit Telephone people keep their customer files for underwriters?

A. Within the current file and within I believe, some years.

Q. Did you discuss this particular case — in checking it with the D.A.A Telephone — discuss this particular case with your superiors and the necessity for checking it out with the Bell Telephone?

A. There was an inquiry sent through the Bell Telephone with other reports to this line, matter-of-fact. In seven weeks, I did not

check the Bell Telephone records.

Q. Was the Kitchener man identified?

THE COMMISSIONER: Just say Yes or No.

A. Yes, sir.

MR MACKINNON: Q. Did you subsequently ascertain whether such a man did attend the club?

A. Oh, the Kitchener man at the club?

Q. Yes.

A. Oh yes, sir.

Q. There is no doubt about that?

A. No, there is no doubt.

Q. Then 26, it says:

"Police Constable Wright joined "a certain lodge to further his "friendship with Deputy Commissioner "Bartlett".

Do you know whether Police Constable Wright did join that lodge?

A. Yes, sir.

Q. That was a statement of fact, so far as joining the lodge, a correct statement of fact?

A. Yes, sir, as far as I am concerned.

Q. Then item No. 27; it has already been confirmed that was a correct statement of fact:

"Humphrey was in to see Assistant
"Commissioner Kennedy regarding the
"threats of Gardiner to expose the
"Thieves. Gardiner has been
"writing threatening letters to
"the Thieves".

THE COMMISSIONER: Just pause there for a moment.

MR MACKINNON: I was going to ask him about the contents.

THE COMMISSIONER: Go ahead.

MR MACKINNON: Q. Did you discuss what those threats were and the nature of them and their contents?

A. I don't recall discussing them, sir.

Q. You have nothing further to add to that little memo?

A. I could but it might be conjecture.

THE COMMISSIONER: Well, let us not have any more of that.

MR MACKINNON: Q. But so far as Wright advising you, you cannot remember anything further he told you about this matter?

A. No, sir, I cannot.

THE COMMISSIONER: Q. Wright would get that information either from Humphrey or McDermott? He didn't get it from Commissioner Kennedy?

"Industry can in no case tolerate

"unchallenged indefinitely the

"exercise of Congress to impose the

"Wagner. Carolina has been

"virtually nullifying Congress in

"the Wagner".

The COMMISSIONER. Your power stops for

a moment.

Mr. P-CHAMBERS. I was going to ask him

about the constitution.

The COMMISSIONER. Go ahead.

Mr. P-CHAMBERS. Q. Did you discuss what

Chief Justice Hughes had written in Nebbia vs. New York

about contracts?

A. I don't remember discussing them,

sir.

Q. Was there anything further to add

to that Little memo?

A. I could not it might be

helpful.

The COMMISSIONER. Well, let us see have

any more of them.

Mr. P-CHAMBERS. Q. Did you ever see Wright

Patman, the Texas Congressman, objecting

strongly to bill you drafted this morning?

A. No, sir, I doubt.

The COMMISSIONER. Q. Would you

put Jacksonville minutes from Wagnerly or

Wagnerbill? Do didn't you it into Commissioner

Connery?

A. I don't know whether he did or not, my lord.

MR MACKINNON: Commissioner Kennedy stated that he had not advised anyone he knew about Gardiner threatening McDermott and that he had only had two phone calls from Humphrey and this interview.

THE WITNESS: May I be of some assistance in helping you find it there in the diary?

MR MACKINNON: Q. Yes, if you would, please.

A. Yes, I can be more enlightening on this. My notation is:

"When Gardiner was sprung he
"demanded money from Thieves for
"threatening letters which
"Humphrey turned over to A.C.
"Kennedy".

Perhaps I better refer to this as you question me.

Q. All right; just keep it open there. If I might now drop down to 30, item No. 30 ---

THE COMMISSIONER: Q. Just a moment. When Gardiner was "sprung" from jail, to use your language, he began to write threatening letters to McDermott. Now, is that what Wright said?

A. Yes.

THE COMMISSIONER: What was the date of Gardiner's release from jail? Do you know?

MR MACKINNON: I did have that but I don't have it right at the moment. Mr. Wilson must know it.

(Page 1630 follows)

BS/WJR

THE WITNESS: Now, I think I should be more --

THE COMMISSIONER: Just a moment.

MR. WILSON: The raid which resulted in the prosecution?

THE COMMISSIONER: Just give me the date he was released from jail.

MR. WILSON: You want the date he was released from jail.

THE COMMISSIONER: I have only some 86 the material.

MR. WILSON: Released Gardiner April 23rd, 1958.

MR. MACKINNON: I believe, sir, the post mark is dated December 22nd, 1959.

THE COMMISSIONER: Yes, I know. He was released a year from the previous April.

MR. MACKINNON: That is right.

THE COMMISSIONER: Q. Now, then, you wanted to say something, witness,and I stopped you.

A. Yes. Rather than say, as you said, my lord, my note says as to the threatening letters, my note is to the effect not that threatening letters were sent to McDermott but to the thieves.

MR. MACKINNON: Q. Were you at that time advised that any of the thieves or their representatives had gone to see Gardiner about this little matter?

A. No, sir.

Q. Dropping it to item 30 for the moment, you say:

"Gardiner's family was looked after while "he was in goal."

Did you check that matter out?

A. No, sir.

Q. Do you know whether Gardiner did have a family?

A. Not really, no sir.

Q. And I believe in looking through your notes - now, I am not guaranteeing I read your handwriging correctly - wasn't there some reference to amounts being paid while he was in goal?

A. Yes, sir.

Q. What was the amount you were told?

A. Five hundred dollars per month; that was Gardiner and his partner.

Q. And who was his partner?

THE COMMISSIONER: Q. Wright said what?

A. Gardiner and Finnegen, their families were paid five hundred dollars a month and their rent; I don't recall rent or mortgage was also paid.

Q. Was Finnegen in goal, too?

A. I believe he was.

MR. MACKINNON: Q. Yes.

They both pleaded guilty, my lord.

MR. WILSON: Yes.

A. [illegible], sir.

Q. Dropping it to from 30 for the

moment, you said:

"[illegible]'s Family and [illegible]

[illegible] not in good."

Did you [illegible] [illegible]

A. No, sir.

Q. Do you know whether [illegible] had been

a family?

A. Not really, no sir.

Q. And I believe is looking through

your notes - now, I am not quantifying I mean

your [illegible] correctly - wasn't there some

reference to amounts being paid which is not

in [illegible]?

A. Yes, sir.

Q. What was the amount you were told

A. Five hundred dollars per month that

was [illegible] and his partner.

Q. And who was his partner?

[illegible]

Q. [illegible] and [illegible], that.

[illegible]

[illegible] not know [illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

THE COMMISSIONER: Did they get equal sentences?

MR. MACKINNON: I think so. I'm not sure.

THE COMMISSIONER: Finnegan served a longer time than Gardiner?

MR. MACKINNON: I think Finnegan served his term.

Q. Now, were you advised that Gardiner had been promised that he wouldn't go to goal?

THE COMMISSIONER: What is that?

MR. MACKINNON: Q. Were you advised that Gardiner had been promised that he would not go to goal? Did Wright advise you of this?

A. No, sir.

Q. Anyone else?

A. No, sir. Not that I recall.

Q. Then if I might go back to item 29:

"Information replacing the old concept of "wire service as broadcast by short wave. "There are still two old wire services "in Toronto operating."

Did Wright advise you where those two old wire services were?

A. No, sir.

Q. Did you have any discussion about that?

A. No, sir.

Q. Then did you know that there were, or do you know now that there were at this time

two old wire services in Toronto operating?

A. I have spoken to City morality officers and found out at least there is one wire service operating.

Q. This was at least partly correct, then?

A. Yes.

THE COMMISSIONER: Q. What do you mean by a wire service?

A. Well, I'm no expert on this matter, my lord, but the common meaning of it is that the race results are flashed from tracks through long distance telephone on circuits and made available to a City at a time over the telephones. For example, a Toronto morality officer has been known to pick up a telephone and when he answered it over the telephone comes the name of a given race.

MR. MACKINNON: Q. Isn't it done by telegraph service? Is that what old wire service means?

A. I believe that is what old wire service means.

THE COMMISSIONER: Q. Well, is this supposed to be a track line?

A. Well, it's different. Now, this could be better given from another witness, I think.

MR. MACKINNON: Q. I was only asking whether this information was correct.

the city wire services in Toronto operating?

A. I have access to City security officers who have had at least three 24-hour wire monitoring assignments.

Q. This was an local security officer, Sergeant?

A. Yes.

Q. Did you [illegible] Q. What do you mean by a wire monitor?

A. Well, I'm no expert on this matter, my level, but the common meaning of it is that the [illegible] Toronto [illegible] security officer [illegible] or [illegible] available to a city or a town over the telephone. For example, a Toronto security officer was asked [illegible] to pick up a telephone and then he measured it over the telephone across the town of a given [illegible].

Q. [illegible] Q. Don't it come by [illegible] [illegible] in that about [illegible] wire monitor [illegible]

A. I believe that is what old wire monitors [illegible].

Q. [illegible] A. Well, in this supposed to be a local line.

A. Well, this's different. [illegible] could be better given from another witness, I [illegible].

Q. [illegible] Q. I [illegible] wire [illegible] wire information was [illegible].

MR. WILSON: I do intend to go into that Mr. Commissioner.

THE COMMISSIONER: All right. This witness does not seem to know too much about it.

MR. MACKINNON: Q. Then turning to the seventh report, May 6th, 1960, page 18, under Thursday, April 21st, Heading A. This appears to be the first bit of information in this report given to you by Wright and it states:

"A person from the United States by name "of Maggaddeno has recently met with the "thieves regarding the conflict of the "two sources of information from the "Branch. As a result of further "conversations with Provincial Constable "Wright I have been told that the "Maggaddeno referred to here is not the "notorious Maggaddeno the undertaker "but rather his brother."

Now, did you check this out with any other source as to whether this man Maggaddeno did come out of the jurisdiction?

You said he is identified as a person from theUnited States, correct?

A. Yes, sir.

THE COMMISSIONER: Q. And his name was Maggaddeno?

A. Yes, sir.

MR. MACKINNON: Q. His name was Maggaddeno?

A. Yes.

Q. Now, do you know whether this man was out of the jurisdiction at any time?

A. By that you mean in Canada?

Q. In Canada?

A. No sir, I don't.

Q. Were you ever advised that he was?

A. No, sir.

Q. It has not been checked out?

A. Not that I know of, sir.

THE COMMISSIONER: The conflict of the two sources of information from the Branch.

MR. MACKINNON: I want to go into that, sir.

Q. What interest did Wright tell you this man Maggaddene had in this purported conflict? What was his interest?

A. He didn't say, but the --

THE COMMISSIONER: Q. First of all, let us get the conflict?

A. Yes?

MR. MACKINNON: Q. What do you mean by that?

A. Well, in order that -- In order to explain this I must have to theorize what took place. The question was asked before about the payment by Albert Ieonelli to Sammy Balsom.

Q. Yes?

A. Now, one would have to realize the date of 1960 when this took place. It probably

took place around February at which time Wright had been transferred; at which time the other officers on the Branch availed their services to Mr. Balsam.

Q. Yes?

A. Now, I subsequently learned from McDermott that they did definitely, or at least he told me quite definitely, that the thieves had the lion's share in the Ramsay Club.

Q. Yes.

A. Now, there were other interests in this club.

Q. Did he tell you who those other interests were? Were they American?

A. No -- Well, he did say --

THE COMMISSIONER: Q. This is McDermott talking?

A. Now we are talking about Wright. Wright did mention that Nicolletti from the United States controls the club there for the Mafia. To theorize, I would say at this point the thieves had lost their contact in regard to tip-offs.

Q. When Wright was transferred to Belleville?

A. Yes, and at approximately the same times, the other officers had availed themselves to Sammy Balsam.

Q. That is Lawrence and M Lamorie?

A. Yes; but, of course he is located down the Peninsula. So it is my information there was a contact between Balsom and some interest in the Emma Ramsay Club. Not at that time, the thieves interest.

Q. This is the thieves partners - if we can call them that?

A. Yes.

Q. Now, you went on to say that McDermott at a later stage told you that he and Feeley had the lion's share in the Ramsay Club, is that right?

A. Yes, sir.

Q. Yes.

THE COMMISSIONER: Where are you reading from?

MR. MACKINNON: I am not reading from anything. I am reading from what he said in the box.

THE COMMISSIONER: Repeat it, please.

Q. Who told you that?

A. McDermott told me that.

Q. Told you what?

A. As I recall his words were, "Pete and I have the lion's share in the Club at the Falls."

MR. MACKINNON: Q. Do you know who Pete was?

A. Yes, that's Vincent Feeley.

Q. Did that Pete go with any other name?

A. Yes but, of course he is issued from the Sentinels. It is his information there was a conflict between Salem and one interested in the Boston Savings Club. Was it that?

C. This is the phrase pertinent - if we can call them that.

A. [illegible]

Q. Now, you read an article [illegible] as a letter where said you did be and Dealing and the item's phrase in the Savings Club, is that right?

A. Yes, sir.

Q. [illegible]

A. [illegible]

MR. [illegible]: I am not dealing from anything. I am reading from what is said in the [illegible]

MR. [illegible]: [illegible]

Q. Who told you that?

A. [illegible]

Q. [illegible]

A. As I recall his words were, "I know and I have the items phrase in the Club as the Sentinels."

MR. [illegible]: Q. Do you know who [illegible]

A. [illegible]

Q. [illegible]

Any other last name - was it Peter, Phillip --
Was Peter an alias?

A. No, just that Vincent Feeley is quite often referred to as Pete. It's almost a nick-name. It is a nick-name.

THE COMMISSIONER: Had the lion's share?

MR. MACKINNON: Of the Ramsay Club.

THE COMMISSIONER: Q. But according to your theory, who had the lamb's share?

MR. MACKINNON: Q. I take it you would not consider these partners lambs?

THE COMMISSIONER: Well, the minor share.

MR. MACKINNON: Q. Who had the minor share?

A. Well, it would appear to be the American interest.

THE COMMISSIONER: Q. And your theory is they were whom?

A. I have no theory in that respect.

MR. MACKINNON: Nicolleti?

A. Yes, Nicolleti.

Q. With the Mafia?

A. So Wright said.

THE COMMISSIONER: Yes.

MR. MACKINNON: Q. Now, did McDermott tell you who these minor interests were or indicate in any fashion who they were?

A. No, sir.

Q. Did he assume that he -- That you knew who they were?

A. I couldn't answer that.

Q. I see. All right, and still with Thursday, April 21st under C:

"The gamblers at Niagara Falls have been "informed that there is an undercover "man working in the Falls and this "undercover man is supposed to have been "responsible for the prosecution of "Noel Boisard convicted on a bookmaking "charge and instigated a raid on Gordon's "Smoke Shop.

Now, have you since ascertained whether there was in fact an undercover man working in Niagara Falls at this time?

A. Yes, sir.

Q. Was there?

A. No, sir.

Q. Your information is that -- I see as you explained later here that the information came from Sgt. Anderson receiving it from Niagara Falls, is that correct? Just read your paragraph in brackets there at the end of "C"?

A. Yes. That's right, sir.

Q. Then D - apparently you are still discussing this club at St. Catharines - it seems to have a hard time getting off the ground:

"D. The Club at St. Catharines is supposed "to start operating this coming week-"end."

A. Yes, sir.

A. I couldn't answer that.

Q. Q I said. All right, now still with
[illegible]ony, Aunti Kitt under Q:

"The problems at Stanton Field have been
[illegible] informed that there is an undercover
[illegible] working in the field and that
[illegible] has [illegible] by here
[illegible] the undercover
[illegible] Chief Inland employed on a [illegible]
change and investigated a raid on Sammy's
[illegible] Club.

Now, have you been informed whether
there was an [illegible] undercover man working in
[illegible] at this time?

A. Yes, sir.

Q. Was there

A. No, sir.

Q. That information is true -- I am so
[illegible] [illegible] [illegible]
[illegible] [illegible] [illegible]
[illegible] [illegible] [illegible] [illegible]
[illegible] [illegible] [illegible] [illegible]

A. Yes, I [illegible], sir.

Q. Then Q - [illegible] you are still
[illegible] [illegible] [illegible] - [illegible]
[illegible] [illegible] [illegible] [illegible]

"Q. Can [illegible] [illegible] [illegible]
[illegible] [illegible] [illegible] [illegible]
[illegible]

A. Yes, sir.

Q. And E:

"The thieves are getting a piece of the

"Club at St. Catharines."

I take it your answer is still the same? So far as you are concerned and so far as your knowledge goes this Club never really opened at all?

A. I feel that. That's true, sir.

Q. Then on Wednesday, April 27th, there appears another piece of information.

"P. C. Wright phoned me at 11.50 a.m.

"He informed me that he had heard that

"I had been to Preston on the previous

"Saturday attempting to make amends for

"breaking into door of an innocent

"party at Preston."

Now, was his information correct?

A. Yes, sir.

Q. So he must have secured this information from some other source? You had not conveyed it to him?

A. That's right, sir.

Q. And that other source would be some other member of the Branch?

A. I believe that, yes sir.

Q. And it was on this occasion that he gave you McDermott's number, is that correct?

A. That's right, sir.

Q. Then on Wednesday, April 27th -- I'm sorry. You met P.C. Wright at a restaurant at

12.30 p.m. that date?

THE COMMISSIONER: Just a moment.

Q. Now, as of April 27th who were the other members of the Branch?

A. Constable Vertolli.

Q. Yes?

A. Mobelka.

Q. Yes?

A. Napolitano.

Q. Yes?

A. Lawrence.

Q. Yes?

A. Lamorie.

Q. Yes?

A. And Sgt. Andreon.

Q. How many of them knew that you were in Preston, or was it common knowledge?

A. Everyone; it would be common knowledge.

MR. MACKINNON: Q. Lawrence and Lamorie, they certainly knew?

A. Yes, sir.

Q. Then you come on to state you met P. C. Wright at this restaurant at 12.30 p.m. and the first item mentioned, apparently, at least under heading A, is this man Maggaddeno, and you mentioned once again, or Wright mentioned once again, that she is the brother of Maggaddeno, the undertaker?

A. Yes.

Q. Now, in the previous reference to Maggaddeno, the undertaker, you said the "notorious undertaker". Who was Maggaddeno, the undertaker?

A. Just a notorious gangster.

Q. Operating where?

A. Well, I believe, sir, he originates from Italy and runs a funeral parlor at Niagara Falls, New York.

Q. Is that close to the border, then?

A. Yes, sir.

THE COMMISSIONER: Q. Was he one of those arrested at the Appalachian Conference - do you know?

A. I don't know whether he was, my lord.

MR. MACKINNON: Q. Is he reputed to be a member of the Mafia?

A. Yes, sir.

Q. And then under "B", you said that Wright said:

"I know lots about the Mafia".

Did he make that statement?

A. Yes.

Q. Well, maybe he will be able to tell us about it.

Did he give you any basis for his knowing lots about the Mafia?

A. Well, this was made as a result of me informing him that I didn't want to get

mixed up in anything.

Q. Violent?

A. Connected with the Mafia; and at that time he gave a little giggle and said he knew a lot about the Mafia.

Q. Do you know Maggaddeno's first name?

THE COMMISSIONER: Which one?

MR. MACKINNON: Either one.

A. One is Peter and I think the other is Antonio.

Q. Is that Antonio the undertaker?

A. I'm not clear whether he is or not, sir.

Q. Is Steve Maggaddeno -- Does that ring a bell with you?

A. There's three Maggaddeno's of which I know of, sir. There are two brothers and one son; and I'm not too sure of their first names.

Q. I think it will be established or can be that they are part of the Appalachian group.

THE COMMISSIONER: Which - both of them?

MR. WILSON: I will establish that in a moment, Mr. Commissioner.

MR. MACKINNON: They have all been interrelated by marriage, and what not, and there is a graph prepared and this appears in the newspapers as well as other public documents,

showing this relationship.

Q. Then it says:

"The Lammuzzellis are members of the "Mafia."

He also made that statement to you, did he?

A. Yes, sir.

Q. And D, he states:

"The Chief Constable of the Niagara "Falls Police Department recently phoned "Joe McDermott saying he wanted to see "McDermott".

A. Yes.

Q. Did you check out to see -- Did you check that out to see whether that was a true statement or not?

A. No sir, I didn't.

Q. Do you know subsequently whether this telephone call was made?

A. As a result of much checking in long distance telephone tolls there was some connecting call with that person.

Q. Where?

A. That is at Niagara Falls.

Q. Between the Chief Constable and McDermott?

A. I'm not clear. I'm not too sure. I would have to consult the records.

Q. Well, who would have those records? Would it be once again Inspector Graham or Sgt.

Anderson?

A. Yes, Inspector Graham, I suppose, yes.

Q. Then, Z:

"The Chief Constable at Niagara Falls at "one time called Sgt. Anderson to come "and see him and when the Sergeant came "The Chief Constable said 'Did I call you'?"

Now, do you know whether that episode took place? Did you check with Sgt. Anderson and check that out?

A. Yes, sir.

Q. Is that a true statement?

A. Yes, sir; with a little clarification.

THE COMMISSIONER: Q. Clarify it.

A. I believe the sergeant had another man with him when he went to see the Chief Constable.

MR. MACKINNON: Q. But he was called by the Chief Constable?

A. Yes. I would say probably now that the sergeant has been called many times by the Chief Constable.

Q. But this took place? The Chief Constable then said after calling him "Did I call you?"

A. Something to that effect.

Q. I see. So this information was basically true?

A. I would say yes.

Anderson?

Q. Well, Standard Station, I suppose, yes.

A. Good, sir.

Now Duke's attorney or someone wants to see Duke walking out. Definitely he wants that one film and when the foreman came in Duke's foreman said "Did I call you?" Now, do you know anything that pertains to that? Did you ever talk with Duke's foreman?

A. Never.

Q. Is that a true statement?

Q. Why, why did a Jones investigator, the investigator, do "Duke's"?

A. I believe the reporter had another man with him where he went to see the Duke's foreman.

MR. ANDERSON: Q. Did he ever contact the Duke's foreman?

A. Yes. I would say probably he did. The reporter had been calling some times by the Duke's foreman.

Q. Not Duke Jones plant. The Duke's foreman when was either calling him "Did I call you?"

A. Foreman in Duke's plant.

Q. I see. Do Duke's investigator or anything like?

A. I could not say.

THE COMMISSIONER: Q. Niagara Falls, Ontario?

A. Yes, sir.

MR. MACKINNON: Q. Then on page 20, sir, F, you refer to Wright says he had seen films of Dave Humphrey and another person vacationing with the thieves at either the Bahamas or Bermuda. Now, did you check it out, whether Dave Humphrey and the other person mentioned had ever been to the Bahamas or Bermuda with the thieves?

A. I have seen the films which I believe were seized from the residence of McDermott.

Q. Yes?

A. With Mr. Humphrey in the film.

Q. You don't know whether that film was taken - where it was taken - or does it show palm trees in the background?

A. Oh, yes; it's a tropical country.

Q. Does this other person mentioned appear on the films?

A. Not in that film.

Q. Not in that film?

A. No, sir.

Q. In any other film you saw?

A. No, sir.

Q. G:

"Joe McDermott was on a hunting trip with "two or three racketeers from the United "States at James Bay and Sgt. Anderson

"made inquiries regarding the trip."

"Joe McDermott picked up the tab for

"the hunt which cost three thousand

"dollars."

Now, did you ascertain whether this hunting trip had been made?

A. Not personally; it was ascertained.

THE COMMISSIONER: Q. Who knows about it?

A. Several people know about it. I believe an R.C.M.P. officer from the north, and there was much correspondence regarding it between various police departments regarding this.

MR. FMACKINNON: I am sure Mr. Wilson will be going into this particular trip.

Q. What I want to know, once again this was a correct statement of fact, wasn't it? Basically?

A. Yes.

Q. There were two or three racketeers from the United States, weren't there, on this trip?

A. Yes.

MR. WILSON: Do you want him to give the particulars of Maggaddano now?

THE COMMISSIONER: You just finish.

MR. WILSON: I thought he was finished.

MR. MACKINNON: Q. Then the next item of information appears to be at the bottom of this

report, the last sentence in it, page 20, it says:

"The gambling element had also heard . . .

THE COMMISSIONER: Wait till I pick it up.

MR. MACKINNON: About five lines from the bottom, sir.

"The gambling element had also heard that "the Crown Attorney Forrestell was "prosecuting the club by proving that "the club was not bona fide in its "activities as a hunting and fishing "club. (P. C. Moore has spoken to Mr. "Forrestell regarding prosecution of "the Ramsay Club by proving it not "bona fide and this would point out that "the gamblers had received information "from either the Crown Attorney's office "or more probably, someone at this "Branch."

Now, would the other members of your Branch have any information about this contemplated prosecution?

A. Probably.

Q. Turning to your 8th report which is dated May 9th, 1960, and this is a telephone conversation with McDermott, it states:

"I was told about the raid on "Petrychanko."

Now, is the "I" referred to, McDermott?

A. Yes.

Q. I see; and McDermott goes on to say that:

"Lamorie told his contact that Sgt.
"Anderson was suspicious and that when
"Lamorie went to use a phone by the
"coffee shop Sgt Anderson was following
"him. This has got Laurence worried
"sick."

Q. Now, was that correct information?

A. Yes.

Q. Did Sgt. Anderson follow Lamorie?

A. Yes.

Q. So what McDermott told you was correct in this instance?

A. Yes, basically correct.

Q. Then C:

"Sgt. Cronin was in business for ten or
"twelve years and was supplying the OFF
"to many places. The guy had the heart
"of a lion."

Now, McDermott told you this?

A. Yes, sir.

Q. And the OFF means tip-off?

A. Yes, sir.

Q. Did he discuss Sgt Cronin any further with you - the former Sgt Cronin?

A. Subsequently to this, sir? Do you mean, or on this occasion?

Q. On this occasion or subsequently?

A. He did, subsequently.

Q. Well, possibly you can tell me now what he said either on that occasion or subsequently about Cronin?

A. Do you want the conversation on the second date?

Q. Yes?

A. Yes, I recall that. I had a discussion with McDermott about the risk involved in this sort of thing.

Q. Yes.

THE COMMISSIONER: Q. That is the risk you were taking?

A. Yes, my lord; and at that time Cronin was brought up; the name of Cronin was brought up and I told him that there were several distorted stories about Cronin being exposed on the Branch, and he said "That's exactly what they are - distorted stories." He said "What would they know?"

Q. Yes?

A. I have a -- This was tape recorded, this conversation.

THE COMMISSIONER: Q. Well, you had better get it.

A. The conversation began when I expressed some concern about McDermott giving me this information regarding the raid at Kitchener.

MR. MACKINNON: Q. Yes?

A. Also there was some discussion about a raid down at the Ramsay Club where the situation presented by the Club; the appearance didn't look too good. I was talking about repercussions.

And then from what I could see from the tape recording, I said "Of course, Cronin had it coming, mind you." McDermott said "How did they know, than?" I said "I don't know how they knew".

McDermott said "Just gossip; no more than they will know right now." I said "I wouldn't say that, Joe." I told him I had heard several distorted stories about Cronin. I told him Armstrong put the finger on him. I told him he, McDermott, was there that night. I said "I think you were parking your car or something; and then McDermott said that Armstrong came up to see Cronin at his house - Cronin's house - and this is six months after.

I didn't honestly know what he was referring to when that -- When he said six months after. It would either be Cronin's transfer or Cronin's resignation; and he talked about Cronin thinking that Armstrong was a good guy.

No, I beg your pardon. He talked about -- McDermott said he thought he was a good guy and referred to the hearing of November 24th, 1954 at Cooksville where Armstrong calmed down

some of the found-ins and in particular George Reid who was going to break the photographer's camera for taking pictures; and McDermott said this: "I thought that was very good the way he handled him. Cronin said "I didn't likethe guy."

Q. Cronin was saying this to McDermott?

A. Yes.

Q. Yes?

A. And then he referred to the night Cronin invited Armstrong up to his house and tried to set him up; at that time McDermott pulled alongside Armstrong on the curb and made an approach to the officer.

Q. Now, then, that item C still dealing with Cronin, was McDermott's statement to the effect that Cronin was supplying the OPP to many places? That these many places were places which he, McDermott, controlled or operated?

A. No, I don't think sor, sir.

Q. You don't think so?

A. Not that -- I'm not saying that McDermott's places were not among them.

Q. I see.

A. I'm not sayingthat.

Q. But there were others?

A. Yes, sir.

Q. Then D is an interesting statementf: "I wouldn't like to see a Royal Commission.

"I'm getting too old and don't want
"to spend five years in jail."

Now, how did a Royal Commission come to be discussed at this early stage?

THE COMMISSIONER: Back in May, 1960?

MR. MACKINNON: Yes, they must have some omniscience.

THE WITNESS: Well, McDermott was quite concerned about police officers supplying tip-offs to betting houses.

(Page 1655 follows)

MR. MacKINNON: Q. An concerns a good citizen?

A. No, concerned as to the risk involved.

Q. The risk involved to him?

A. Yes.

Q. Among others?

A. Yes, and I can only generally express the situation here, and that is that it is very risky, that sooner or later somebody looking after a lot of betting houses, tipping them off, is going to come to light. You can't help but do that in a matter of time - - -

Q. Yes.

A. And he spoke of the Royal Commission on another occasion, and it was in the thought that this sort of thing, once come to light, would start a Royal Commission, an inquiry into the situation.

Q. Yes.

A. And thus his statement about the Royal Commission.

Q. And what was this five years in jail? Did he mention perjury?

A. I don't recall him mentioning it on this occasion. He did on a subsequent occasion.

Q. What did he say then on that subsequent occasion?

MR. BRITTEN: I do not recognize

A.Jane Atkinson.

A. No, concerned as to the risk

involved.

Q. The risk involved to that

A. Yes.

Q. Among others?

A. Yes, and I was only generally

express the situation here, and that is that it

is very risky, that sooner or later something

leading after a lot of letting boxes, flipping

them off, is going to come to light. You can't

help but do that in a matter of time - - -

Q. Yes.

A. And be aware of the royal

commission on another occasion, and it was in

the thought that this sort of thing, once came

to light, would start a Royal Commission, as happened

into the situation.

Q. Yes.

A And then has statements about

the Royal Commission.

Q. And what was this flip person

in fact? Did in question perjury?

A. I don't recall his evidence

if on this occasion. He did on a subsequent

occasion.

Q. What did he say then on that

occasion?

A. Well, he was discussing these officers being called in before a Royal Commission, one at a time, on your oath, and the Commissioner of the C.I.B., the Inspector, taking you aside and saying, "Now, listen. You had better tell the truth because you can get up to five years for lying."

Q. So this five years has to do with perjury? It connected one with the other?

A. Well, it did on the subsequent occasions.

Q. Yes. Then we move on to Item (g), which seems to be the next piece of information. He advises you that "three of the places, the other guys are furnishing the ~~ixxxxxxxx~~ 'off' for are Petrychanko, Balsom and the Flamingo Club"?

A. Yes.

Q. Now, did you subsequently ascertain that this was true, certainly so far as Petrychanko and Balsom are concerned?

A. I am satisfied that it is true of all three places.

Q. Of all three?

A. Yes.

Q. There is another true statement of fact?

A. Yes.

Q. Then, under Tuesday, May 3rd,

Q. Well, he was discussing these affairs being called in under a Royal Commission, was it a time, on your mind, and the Commissioner of the R.C.M.P., the Commissioner, Murray, was there and saying, "Now, listen. You had better tell the truth because you can get up to five years for lying."

Q. Do this five years ring in your mind with particularity? It concerned one with the utmost seriousness.

A. Well, it did on the subsequent occasion.

Q. Yes. Then my view is to item (g), which seems to be the most piece of information. He advises you that "Some of the items, the other ones are functioning for economical gain" for any misconduct, follow you the financial gain?

A. Yes.

Q. Now, did you unconsciously conceive that this was true, provided he was in Government and things are constant?

A. I am assisted that I is in fear of all these things.

Q. Of RCMP money?

A. Yes.

Q. Money is another thing altogether?

A. Yes.

Q. Then, some Ministry, he said,

(a) he refers to an Assistant Crown Attorney whom he states "is a pal of ours," and he would like "to get him in as Crown at Niagara Falls" because apparently the present Crown Attorney had everybody up in arms about the club there?

A. Yes.

Q. Now, did you ascertain that this named solicitor was a pal of Feeley and McDermott?

A. No, sir.

Q. You have no information on that?

A. No, sir.

Q And checking the phone lists, did you find any calls to this man's number?

A. No, sir.

Q. Then, turning to Wednesday, May 4th, which is page 2 of your report and page 23 of yours, Mr. Commissioner.

THE COMMISSIONER: There is paragraph (d).

c/2

MR. MacKINNON: Under (d), Constable, apparently McDermott is making a complaint. He states: "I can't seem to get the people running the club at the Falls to do what I say, it takes all my time running back and forth from there."

THE COMMISSIONER: Did he enlarge on that at all?

MR. MacKINNON: Yes, did he tell you what he meant by that?

A. Well, once again, sir, we are speaking of common ground. I can't recall him enlarging on that.

THE COMMISSIONER: What did he mean, "I can't get them to do all I say"? What was he saying that they would not do?

A. Well, it is just, my lord, the - this club at Niagara Falls was never as smoothly run as the Vets Club. It had all the ear-marks of the Vets Club in appearance, but the picture you got as you went in there was altogether different. It was not as organized. People were not dispersed when the police got in in the same way as they would be at the Vets Club. Certain things were done at the Ramsay Club to give rise to suspicion. For example, one night - and I am now talking of the night I wasn't at the club but knew of the circumstances - -

Q. Well, I think we have had sufficient amplification. It was not as smooth running an organization as it was over there at the Vets Club?

A. No, it was not.

MR. MacKINNON: And do you know about both Feeley and McDermott running back and forth to the Falls?

A. No, I only know what McDermott

what he means by that?

A. Well, some daily-sixly, so

the evening of August [illegible]. I don't recall

the occasion on that.

THE CONSTITUTION: What did he mean,

"I can't get them to do all I may"? What was

he saying that they would not do?

A. Well, it is just, my lord,

the - this club at Niagara Falls was never as

successfully run as the Vera Club. It had all the

bar-rooms of the Vera Club in appearance, but

the pressure you got as you went in there was

altogether different. It was not as impressed.

People were not dispersed when the police put in

in the same way as they would be at the Vera

Club. Various things were done at the Niagara

Club to give rise to suspicion. For example,

one night - and I am now speaking of the night

I went to the club but some of the circumstances -

. Well, I think we have had

sufficient qualification. It was not an exactly

running as organization as it was over there

at the Vera Club?

A. No, it was not.

Q. MACKINNON: And do you know what

kind of a [illegible] [illegible]

form to the Valley?

A. No, I will [illegible]

told me.

Q. Were you advised by Sergeant Anderson on one occasion that Feeley had been passing and repassing him when he was coming back from a raid on the Ramsay Club?

A. I think you are not quite right there. I think Feeley was returning from the Cooksville Club and Anderson was returning from the Ramsay Club.

Q. Wasn't he passed and repassed by Feeley?

A. Yes, on the Queen Elizabeth Highway.

Q. But you think that Feeley on that occasion was coming from the Cooksville Club and not from Niagara Falls?

A. That is right, sir.

Q. Then, turning to Wednesday, May 4th, - - -

THE COMMISSIONER: Are you going to be a long time yet?

MR. MacKINNON: Yes, I have got these other reports, sir.

THE COMMISSIONER: Very well, we will have a ten minute recess.

---Short recess.

---On resuming.

THE COMMISSIONER: Before I forget, there will be no public hearing here tomorrow and on Thursday night we will adjourn and not be sitting the following week.

MR. MacKINNON: Constable, I have been dealing with the 8th report, and I would like you to refer to your notes under Wednesday, May 4th, which is on page 2 of the report?

A. Yes.

THE COMMISSIONER: What is that?

MR. MacKINNON: Wednesday, May 4th, which is page 23 of your pages, my lord.

THE COMMISSIONER: Thank you.

MR. MacKINNON: And the last sentence under that date of Wednesday, May 4th, you were then talking to Joe McDermott; is that correct?

A. Yes, sir.

Q. And you stated: "My contact also said that he had heard from Maxey Baker who had a friend on the Toronto Morality Squad and that the Toronto Police Department taps telephones."?

A. Yes.

Q. Now, your contact is Joe McDermott; is that correct?

A. Yes.

Q. And who was Maxey Baker?

THE COMMISSIONER: Does anybody need to

ask that now?

THE WITNESS: Max Bluestein.

MR. MacKINNON: Bluestein?

A. Yes.

Q. And do you know just what the relationship was between Bluestein and McDermott?

A. No, sir, I don't know.

Q. And was this a correct statement of fact that the Toronto Police Department taps telephones?

THE COMMISSIONER: Well, doyou know?

A. No, I don't know.

MR. MacKINNON: Did you check this out?

A. No, sir, I didn't.

Q. Did anyone else check it out?

A. I don't know, sir.

Q. Then, Thursday, May 5th, shows another item of information which has already been read into the record, but I would like to refer you to it. You telephoned Joe McDermott at approximately 8:10 p.m. on May 6th; is that correct?

A. Yes.

Q. And then you started to tell him that the Club at Niagara Falls would be raided, and then you go on to say: "But before I could tell him he said that he knew and that Jimmie Bartlett had signed the warrant and had told him. This was said in an almost joking manner"?

A. Yes.

Q. Now, I take it that that statement is true to this extent, that Jimmie Bartlett had signed the warrant that night for that raid?

A. I believe he had, sir.

Q. I am producing to you Exhibit 86, which is a warrant to search the premises known as the Ramsay Club, 1648 Stanley Avenue in the City of Niagara Falls, in the County of Welland, and it is dated Toronto, Ontario, this 5th day of May, 1960, and it is signed by "J.Bartlett," a Justice of the Peace?

A. Yes.

Q. Is that the warrant that was used for the raid on which you were giving the tip-off that evening? (Exhibit handed to the witness)

A. As it purports, yes.

Q. And is that James Bartlett's signature? (Indicated)

A. Yes, sir.

Q. How long before you telephoned McDermott would this warrant have been executed by Bartlett?

THE COMMISSIONER: Let me see that warrant, Exhibit 86.

THE REGISTRAR: Yes.

(Exhibit handed to the Commissioner)

A. Yes.

Q. Now, I have it that that statement is true to this extent, that Jimmie Hartland had signed the warrant that signed the chat right?

A. I believe he did, sir.

Q. I am presuming, Mr Jones, that if, when it a warrant is passed the Jonesies based on the Jenny Ann, Jeff already signed in the city of Jimmie Hall, in the county of Hilland, and it is dated Jonesday, Jonesday, this 5th day of May, 1900, and it is signed by "Jimmie," a Justice of the Peace?

A. Yes.

Q. Is that the warrant that was used for the raid on which you were giving the tip-off that evening? (Exhibit handed to the witness)

A. As it purports, yes.

Q. And is that Jenny Hartland's signature? (Pause)

A. Yes, sir.

Q. How long before you telephoned Hartland would this warrant have been issued by Hartland?

THE CHAIRMAN: Do we see this warrant, Mr Hartle Q?.

THE REGISTRAR: Yes.

(Exhibit handed to the Commissioner)

THE WITNESS: Well, I would not know. It would have been in the course- - -

CC/3

MR. MacKINNON: Pardon me?

A. In all probability it would be in the course of that day. I wouldn't know what time.

Q. Who advised you that the raid was going to take place?

A. Well, I don't recall, sir.

Q. And did he indeed tell you where the raid was going to take place before you were able to tell him?

A. Yes.

Q. So he obviously had information from somewhere?

A. Yes.

Q. And he - -

A. Well, Morality was a good guess. My own opinion would be that he had information from somewhere.

THE COMMISSIONER: Well, he said he had information. Whether he was lying or not, that is what he said.

MR. MacKINNON: Then, on Sunday, May 5th, you had a meeting with P.C.Wright once again; is that correct?

A. Yes, sir.

Q. And at this meeting apparently Wright made certain statements and dealing

THE WITNESS: Well, I would not know.

It would have been in the Government - -

Q. (Continued) Perhaps you

A. In all probability it would be on the morning of that day, I probably came that time.

Q. You received the first two

(Mr. Ewen was going to see (Jones)

A. Well, I don't remember, sir.

Q. And did he (Jones) tell you

where Mr. Reid was going to have a place before you were able to tell him?

A. Yes.

Q. So he obviously had information from somewhere?

A. Yes.

Q. And he - -

A. Well, somebody was a good guess. My own opinion would be that he had information from somewhere.

THE COMMISSIONER: Well, he said he had information. Whether he was lying or not, that is what he said.

Mr. (Continued) Now, Mr Bailey, my job, you had a meeting with R.C.Mounted Police officers; is that correct?

A. Yes, sir.

Q. And at that meeting apparently Alright some certain statements are handing

first with (a):

"Vincent Feeley and Joe McDermott "posed as inspectors during the "construction ofthe new headquarters "and went through the offices of "the branch, taking the serial "numbers of all the desks , and "obtained keys for the desks."

A. Yes.

Q. Now, did you check that allegation out?

A. I wouldn't think there would be any way to check it out, sir. I didn't check it out.

Q. Have you since been advised by anyone that this was a true statement of fact?

A. No, sir.

Q. When were the new headquarters constructed?

A. I have no idea. The building was rennovated. It went on for quite some period of time, the rennovations.

Q. Since you joined the Anti-Gambling Squad?

A. Yes.

THE COMMISSIONER: Those are the headquarters down at Fleet Street?

A. Yes - well, Lakeshore Boulevard

and Jarvis Street.

Q. Yes.

A. Yes.

MR. MacKINNON: And then he mentions in (b) that the solicitor whom he had already mentioned earlier, who was, he suggested, a pal of the thieves and a Member of Parliament, had received money to take pressure off the club in the Peninsula, and you stated you are not sure what club was referred to?

A. Yes.

Q. Did he identify the Member of Parliament by name? Just say yes or no.

A. No, sir.

(Page 1674 follows)

Q. Did you have any conversation with him about the Member of Parliament?

A. No, sir.

Q. At no time?

A. No, sir.

Q. And then in (c) you state that Wright told you "I was a partner with Cronin who was cut out. I thought I would receive his share but I didn't"?

A. Yes.

Q. Now, he had already told you that before, had he not?

A. He told me he had a partner and also that he thought he would get his partner's share when his partner left the employ.

Q. And this time he is identifying the partner to you?

A. Yes.

Q. And then he went on to say: "Cronin made at least $100,000. I have got $30,000 anyway."?

A. Yes.

Q. Did you have any further discussion as to the amount of money he had, apart from this statement here? You also mention, of course, that he said he had got $1,000 a month from the Roseland Club?

A. Well, further to what I have here, he did say he had spent a lot of money foolishly. On another occasion which I have

related, at a tavern, quite boastfully he mentioned that he had $50,000 and that he could buy and sell anybody on the Force, and on this occasion I recall remarking to him that I wished I could make $30,000, and he said, "You will."

Q. Did he also tell you that if you were going to get this kind of money you should make sure it was well hidden and well kept?

A. I was cautioned about putting money in banks.

Q. Did he suggest where you should keep it?

A. No, sir.

Q. I take it the idea was in any event that it should be where other people could not find it if they went looking for it?

A. That is right.

Q. Then (e): "The thieves posed as subscribers to the respective telephones at the Bell Telephone Company and examined the toll of members of the Anti-Gambling Branch"?

A. Yes.

Q. "We had to do this when there were so many under-cover men. We thought we might get a call to one of the under-cover men"?

A. Yes.

Q. Now, did he indicate to you when this was done? He is using "we", you see.

A. Yes.

Q. So I assume it was done sometime

at the beginning of 1959?

A. Oh, prior to the end of 1959.

Q. Prior to the beginning of 1959?

A. Yes.

Q. Can you localise it any better than that?

A. No, sir.

Q. And were you able to check up and ascertain whether that had actually happened, that people had gone in pretending to be members of the Anti-Gambling Branch?

A. Well ——

THE COMMISSIONER: Just a moment. That is not very clear to me.

MR. MACKINNON: It says ".... examined the toll of members of the Anti-Gambling Branch ..."

THE COMMISSIONER: "The thieves posed as subscribers to the respective telephones." What telephones?

A. Members of the Branch. My lord, may I explain it this way?

Q. Yes.

A. If you have a telephone service and it is a Crescent number, and if at any time you go to the business office of the Crescent Exchange and speak to an employee there and say to that employee, "I would like to examine my long-distance

telephone toll for the past two months," or whatever they might have there, the employee would show you your telephone toll, the toll tickets which record the long-distance telephone calls you might have made.

Q. Yes.

A. And the point he was making here is that I, for example, could go to the Bell Telephone Company where the business of Mr. MacKinnon's telephones is handled and represent myself as Mr. MacKinnon and ask to examine my long-distance telephone toll for the past month.

Q. Then when you say that the thieves posed as members - as subscribers, rather - they posed as members of the Anti-Gambling Branch?

A. Yes, my lord.

Q. And examined the long-distance telephone calls of members of the Anti-Gambling Branch?

A. Yes.

Q. Is that what you are saying?

A. Yes.

MR. MacKINNON: Were you able to ascertain whether that had actually happened or not?

A. No, sir.

Q. Do you know whether any check was made at the Bell Telephone in this connection?

A. No, I don't, sir.

Q. Then (f): "When the big investigation at Hamilton was being wound up at Hamilton and the Branch drew men from the districts for the raids, Inspector Stringer phoned several people including Joe McDermott and told them what he knew."

A. Yes.

Q. Now, this raid happened when, do you know?

A. I think it was in the year 1957. It was not one particular raid; it was the conclusion of an extended under-cover investigation in the City of Hamilton, affecting probably three clubs - three social clubs.

Q. And did the Branch draw men from other districts?

A. Yes, they did, sir.

Q. And did they draw men from the Peterborough district?

A. I am not sure of that, sir.

Q. You aren't sure?

A. No.

Q. Did you try to ascertain whether that was so?

A. I didn't, sir - not that I recall.

Q. Did someone else, do you know?

A. They probably did. I don't know for sure.

Q. Now, apart from what has been called the "Stringer brief" and this reference to Stringer, did either Police Constable Wright or Joe McDermott mention Stringer in any other connection or at any other time?

A. Not that I recall, sir.

(Page 1680 follows)

Q. Then (g) "Vincent Feeley dated" a certain girl "when she was stenographer for Inspector Duncan at the Police College. Feeley pumped her for information concerning the Branch." Now did you check with that stenographer?

A Chief Inspector Graham did, sir.

Q. And was that a true statement of fact, that he dated her?

A. Somewhat.

Q. "Somewhat" or "someone"?

A. Somewhat.

THE COMMISSIONER: "Somewhat"?

A. Yes. The whole statement was not confirmed, in that he pumped her for information.

MR. MacKINNON: She did not know she was being pumped, presumably?

A. I don't know, sir.

Q. But he did date her, in any event?

A. He had acquainted himself with her I would say.

Q. (h)"Feeley and another person attempted to take out" a girl - - I have been careful about that - - "by meeting her on the street close to where she lives". Now this particular girl named, is she a stenographer or

Q. Then [illegible] [illegible]

[illegible] a certain girl [illegible] [illegible]

Mr. Thompson known at the Fallon residence.

Shelly [illegible] had the [illegible] [illegible]

the branch." How did you check with that

[illegible]

A. Under Inspector Graham [illegible].

Q. [illegible] that a [illegible]

of fact, that be [illegible] here:

A. Somewhat.

Q. "Somewhat" or "[illegible]"?

A. Somewhat.

[illegible] "Somewhat"?

A. Yes. The whole statement

was not confirmed, so that he [illegible] [illegible]

[illegible].

Q. [illegible]: She did not know who

was being [illegible], [illegible]?

A. I don't know, sir.

Q. But he did date [illegible] in any

[illegible]

A. He had [illegible] [illegible]

with her I would say.

Q. (b) Having [illegible] [illegible]

[illegible] to [illegible] a girl - - I have been

careful about that - - "[illegible] [illegible] [illegible]

Sunny [illegible] [illegible] [illegible]". [illegible]

[illegible] girl [illegible], is [illegible] a [illegible] of

secretary in your Branch?

A. Yes sir.

Q. And then you go on to say "this is believable because several weeks ago" this girl told you that she "was being bothered by a man in the mornings when she got her bus". Now did not this girl later identify Feeley and McDermott as the people who were accosting her?

THE COMMISSIONER: She identified Feeley.

MR. MacKINNON: Q. Did she not identify both Feeley and McDermott when they came into the office much subsequent to this particular date?

A. I believe she identified McDermott.

Q. As being one of the men who had been trying to pick her up?

A. Well, yes, or rather perhaps I should not say that: one of the men who had been bothering her, perhaps tryingto make acquaintance with her on the street and bus.

Q. Yes. So once again we have what is in essence a true statement of fact by Wright?

A. Yes.

Q. Then (1)"Feeley tried to take out" a certain girl. Now is this girl also with your branch?

A. She was sir.

Q. And did you check that out?

A. I did not personally check this out, no sir.

Q. Do you know whether anyone else did?

A. No sir, I do not.

Q. Then (j)"Papalia from Hamilton has an interest in the club at St. Catharines. The Papalia family of Hamilton are said to control much of the gambling in that city". What Papalia was being referred to there? Was that Pops Papalia?

A. That is the only - John Papalia was the only one I was familiar with at that time.

Q. Was that the man who was being discussed?

A. That was my understanding.

Q. Is he known as Pops Papalia?

A. The first time I ever heard that name was - - - -

Q. Was he the man who has just recently been removed from this jurisdition? Is that the man you have in mind?

A. Yes.

THE COMMISSIONER: Is that the same club you said did not get off the ground?

A. That is correct.

A. She was sick.

Q. Did you ever find out why

A. I did not personally know

this too, no sir.

Q. Do you know whether Joyce

also sick?

A. No sir, I do not.

Q. Then (1) "Napolin from

Hamilton" was an invented in the wish of Mr.

[illegible]. The Napolin family of Hamilton

are said to control much of the gambling in

that city. Had Napolin was being [illegible] to

Henry, you that you [illegible]

Q. That is the only - John

Napolin was the only one I was familiar with

at that time.

Q. Was that the man who was

being discovered?

A. That was my understanding.

Q. Is he known as Pope Napolin?

A. The first time I ever heard

that name was - - - -

Q. Was he the man who had

just recently been removed from their jurisdiction?

Is that the man you have in mind?

A. Yes.

THE CORONER: In fact the name

with you said, it did not get off the ground?

A. That is correct.

MR MacKINNON: Q. That is the Parkdale Recreation Club?

A. Yes.

Q. Now I am advised that with relation to this Parkdale Recreation Club it shows an Albert Gasbarini as secretary. Now does the name Gasbarini mean anything to you - G-a-s-b-a-r-i-n-i?

A. I just associated that name with Hamilton at the time.

Q. Do you associate it with Papalia as well?

THE COMMISSIONER: He is shown as what?

MR. MacKINNON: Secretary.

THE COMMISSIONER: In what?

MR. MacKINNON: In the Parkdale Recreation Club.

THE COMMISSIONER: I know, but shown in what?

MR. MacKINNON: I have just got some information taken from the Provincial Secretary's records, sir.

A. I cannot say that I do, right at this time, sir.

Q. Well then, we will move on to the 9th report and the facts related there. That is May 23rd, 1960. Friday, May the 13th seems to be the first conversation you had with Mr. McDermott in which he related to you certain

matters, and under heading (a) you state that McDermott said to you "You fellows were terrible today when you raided that bookmaker at Kitchener, making him burn his hands". Now was there a raid on a bookmaker in Kitchener that day?

A. Yes sir.

Q. Did the bookmaker burn his hands?

A. He may have done. There was a flaming piece of paper involved in the scuffle.

Q. So he had some fairly accurate information on your raid?

A. Yes sir.

Q. You had not given him such information?

A. No sir.

Q. Then in (b) he refers to a member of the Attorney General's Department receiving money, and then you have (c): "I expressed doubt in this regard" - - and I may say that I am not surprised that you did express doubt - -"the party said, 'Well you just go to (this man) and put a question to him and I will tell you what you asked next day'." Now did you put any question in that connection to this man?

A. No sir.

Q. Now under (c) you state that he said to you "This Moore" - that is

Constable Moore - "had to be stopped from questioning the clientele at Niagara Falls as it would scare away the customers". Now had Moore been questioning the clientele at Niagara Falls?

A. Yes he had.

Q. So this information had obviously been given to McDermott by someone at the club, is that correct, or from some other source other than yourself?

A. Yes sir.

Q. Then under (d): "That section of the Code allowing the police to take persons found in a disorderly house before a Justice to be examined under oath would put the clubs out of business in short order, but don't ever stress this point". Now what was your discussion about this particular section?

A. Well, we were discussing the police raiding this club or these clubs, and McDermott said "It is not fair that you should - - that the police should repeatedly be able to take out search warrants and go in these clubs and interrogate the people in there" and he compared it to taking out consecutive search warrants for somebody's house and going to look for stolen goods time after time, and while in that vein of thought this subject came up. I don't know precisely how it came up,

Commissioner Hoover - "And he was stopped from questioning the officials at Hickory Hills as it would scare away the customers". How had Hoover been questioning the officials at Hickory Hills?

WITNESS:

A. Yes sir.

Q. So this information obviously been given to Hickorycrest by someone at the club, is that correct, or from some other source other than yourself?

A. Yes sir.

Q. Then under (2), section of the Code allowing the police to take persons found in a disorderly house before a justice to be examined under oath would put the clubs out of business in short order, but didn't ever affect the police.

A. Well, we were discussing the police raiding this club or those clubs, and Hoover said "It is not fair that you should - that the police should repeatedly be able to take out search warrants and go in these clubs and interrogate the people in there" and he compared it to taking out consecutive search warrants for somebody's house and going to look for stolen goods time after time, and while in that vein of thought this subject came up. I don't know exactly how it was my

but at any rate it did and he made this statement.

Q. And he apparently expressed the view to you that if this section were ever used, it would put these suspected gaming houses out of business, is that correct?

A. Yes sir. May I have my notes, please?

Q. Yes. (Same handed)

Did he state that this type of interrogation under this particular section of the Criminal Code was similar to a Royal Commission?

A. Yes he did sir.

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Q. And that apparently he was concerned about this section being used, is that correct, or about it not being used, maybe that is a better way of putting it?

A. I would not recall just what way to put it.

Q. Well, you emphasise here that he said, "But don't ever press this point"?

A. Quite true, he did add that.

Q. Then I notice Monday, May the 16th, under part (b) you are referring to another telephone conversation you had with McDermott, and he stated, "If there was ever a Royal Commission on gambling I would leave the country". Then you state, "This statement could be taken as joking". Did he seem to have a preoccupation with the possibility of a Royal Commission? He apparently mentioned it more than once?

but at any rate it did not do away this statement.

Q. And he apparently expressed the view to you that it this meeting were held, it would put Jones completely beside out of business, is that correct?

A. Yes sir. May I have my notes, please?

Q. Yes. (Same handed)

Did he state that this type of investigation under this particular section of the criminal code was similar to a royal commission?

A. Yes he did sir.

Q. And that apparently he was concerned about interdiction being used, is that correct, or about it not being used, maybe that is a better way of putting it?

A. I would not recall just what way to put it.

Q. Well, you mentioned here that he said, "Just don't over press this point"?

A. Quite true, he did add that.

Q. Then I quote further, for the line, under part (b) you are referring to another telephone conversation you had with Hutchinson, and he states, "If there was ever a royal commission I would leave the country". Then you state, "This statement could be taken as joking". Did he seem to have a preoccupation with the possibility of a royal commission?

A. I don't know. I certainly did not mention it. He certainly had it in his mind, I would say - I would have to say.

Q. Did he indicate to you - - -

THE COMMISSIONER: Excuse me. That is not a term that is usually used, "Royal Commission". They are a rarity. How would he know that there was such a tribunal?

A. Well, MR. McDermott is quite - - I don't want to draw any conclusions here, but I did, for example, when we raided his home at the conclusion of this investigation, we found a Criminal Code with several sections of the Code outlined in red pencil. On another occasion I believe officers went to his house and found some copy of the Income Tax Act. Apparently he had some difficulties in that regard. It is my opinion that he studies them somewhat.

MR. MacKINNON: He did not have any Royal Commission reports in his home, did he?

A. No sir, he did not.

Q. Or was it maybe because - - -

THE COMMISSIONER: There are not many texts on Royal Commissions.

MR. MacKINNON: So we found out!

Q. Was there not something in the newspapers around this time about a Royal Commission, or a suggestion that there be one? Could that have given rise to his premonition?

A. I don't know. I certainly did not mention it. He certainly had it in his mind, I would say - I would have to say.

Q. Might indicate to you - - -

THE CONSTABLE: Answer me. That is not a term that is usually used, "Legal Consultant". They are a rarity. Man would be known such thing was such a attorney?

A. Well, Mr. McCormack is quite - - I don't want to draw any conclusions here, but I did, for example, when he raised his issue on the availability of this investigation, he found a precedent that gave special positions to the City Attorney in red publicity. He discovered a decision which said he did have the right to have his own counsel at his income tax hearing. Generally he had some difficulties in that regard. It is my opinion that he situation does somehow -

Q. McCORMICK: He did not have any legal consultant regarding in his case, did he?

A. No sir, he did not.

Q. Or was it maybe because - - -

THE CONSTABLE: There are not many legal or legal consultants.

Q. McCORMICK: So we found out!

Q. Was there not something in the newspapers around late that spoke of a legal consultant, or a suggestion that there be some legal - - -

McCORMICK: Place that in his presentation

THE COMMISSIONER: Was there any suggestion?

MR. MacKINNON: I am asking this witness.

A. I don't think so. At least not that I recall, shall I say.

Q. Then on May 17th, you mention meeting Police Constable Wright and Police Constable Lawrence, and I take it these bracketed initials after each statement is the source of the statement; is that correct?

A. Yes sir.

Q Under (a) you state that Constable Wright advised you that Deputy Commissioner Bartlett received money from Joe McDermott for advising him when he signed the search warrants relating to the clubs. Did you make any attempt to follow that one through?

A. Well I have examined several search warrants relating to the clubs. Other than that, there may have been some other inquiries made which I am not aware of.

Q. Did you find that Deputy Commissioner Bartlett did sign a number of search warrants?

A The Deputy is a Justice of the Peace, and it was customary, up to the conclusion of this investigation, to take search warrants, all search warrants, when he was available,

The Commissioner: Do you know by

suggestion?

Mr. Gwynne-Jones: I am making this

witness.

A. I doubt which so, as Jones

was then I usually could I say.

Q. Since on May 17th, you mentioned

having visited Constable-Major and Julian

Constable Lawrence, and I think it was Constable

Smith, after most interested in the matter of

the statement, is that correct?

A. Yes sir.

Q. Under (a) you state that

Lawrence first advised you that Smith

further wanted some fire for Hunsvel. You

mentioned the fact to signed the second Lawrence

relating to the stand. Did you have any

attempt to follow that up therefore?

A. Yes I have mentioned Lawrence

because mentioned telephone to the office. Other

than that, there may have been some other

inquiries were which I am not aware of.

Q. Did you find that Lawrence

communicated anything you also a member of Lawrence

witness?

A. The report is a question of

the fence, and it was outstanding, up to the

association of this investigation, to have answer

witness, all based Lawrence, also be the evidence.

to him, for signature.

Q. But there was another Justice of the Peace, we have been advised, as well?

A. The Commissioner, sir.

Q. The Commissioner, and then I believe Lougheed as well?

A. Well, Lougheed has long gone, he has retired.

Q. But he was still on the Branch when you were there. He was still there when you became a member of the Anti-Gambling Squad, was he not?

A. That is true.

Q. Lougheed retired June the 15th, 1958, so he would be available up until that date?

A Well, he spent considerable time off, and I don't believe Deputy Bartlett always was a J.P.

Q. No, according to the information he was not.

THE COMMISSIONER: Just to refresh my memory, when was the appointment?

MR. MacKINNON: As J.P. I believe in June of 1955. I think that was the information given. I have forgotten who gave us that information, either Mr. Kennedy or Mr.Clark, because they both became J.P.'s at the same time I understood.

Q. Were you instructed to examine

these search warrants, or did you do this on your own initiative?

A. I believe we were instructed by the Chief Inspector.

Q. Chief Inspector Graham?

A. Yes sir.

Q. And then you reported to him on what you had discovered in this connection?

A. I believe this subject was just taken casually, sir.

Q. Then under(a) as well you refer to a party. Did you make any attempts to ascertain whether this party had actually taken place, which was attended by Bartlett, Jimmie Maloney and Joe McDermott?

A. No sir.

Q. Did you everhave any conversation with McDermott about Bartlett apart from the occasion when he told you "Oh you need not tell me, I already know; Bartlett has told me about the raid to be carried out"?

A. No sir.

Q. That was the only time McDermott mentioned Bartlett to you?

A. Yes sir.

Q. Now under (i) you state "P.C.Wright feels quite bad about the disappearance of'script'Mitchell, because he told Joe McDermott that Mitchell was talking too much and McDermott

these search warrants, or did you do this on your own initiative?

A. I believe he was informed by the Chief Inspector.

Q. Chief Inspector Gannon?

A. Yes sir.

Q. And when you reported to him on what you had discovered in this connection?

A. I believe this subject was put under security, sir.

Q. When under(s) as well you refer to a party. Did you make any overtures to wiretap wiretap this party had actually been given, which had attended by Patrick, which refers the Prosecutor?

A. No sir.

Q. Did you overhear any conversation with Gordon? Did Gordon ever from the conversation then he told you "Oh you been was tell me, I already know; Sometimes has told me about the real to be carried out?"

A. No sir.

Q. That was the only time

Summary warrants Certain to your

A. Yes sir.

Q. Now sir(s) you mean "P.S.Mr.Jr. Tools quite had meant the discussions of'Bright'McGuell, because he tell the reference that Gordon was talking the work had Gordon

agreed". Now why was Wright feeling badly about "script" Mitchell's disappearance?

A. When I say "P.C.Wright feels quite bad", the reason I say that is because wright said he felt quite bad, and I took him at his word.

Q. Why?

A. Well, because, as he put it, he had mentioned this to McDermott, that Mitchell did talk too much, and Wright was aware that Mitchell was missing at this time.

Q. Well then, was he connecting the disappearance of Mitchell with the fact that he had told McDermott that Mitchell was talking too much?

A. Exactly, yes sir.

Q. Possibly you could tell us: Who is or who was "Script" Mitchell?

A. What I know of him?

Q. Yes?

A. I have met him. He has been involved in somewhat small bookmaking operations in Niagara Falls.

Q. What connections did he have with Feeley and McDermott?

A. None that I know of.

Q. What could he talk too much about?

A. Well I have had occasion to ask

him to explain, for example, a certain type of bet to me, that is a bet you would find recorded in a bookmakers which you had raided, which he did. He is also supposed to have been an informant for one or two police departments.

Q. Did he ever advise you or any other member of the Anti-Gambling Squad to your knowledge that there was gambling going on in the New Ramsay Club, or gaming?

A. Well I recall one day, I believe it was just before what I refer to as the new Ramsay Club on Stanley Avenue opened, just casually he said to another officer and myself words to the effect "You had better get up there and get in there now or you will never get in", - words to that effect.

Q. Do you know whether he was part of the old Ramsay Club?

A. No sir, I do not.

Q. You have never been advised of that?

A. No sir.

Q. Well, now, the rest of the 9th Report seems to deal with statements made to you by Lawrence and Lamorie and I do not think I need to take you through that. They have been confirmed, many of these statements, as being facts, by the witnesses. I understand you to say you did attend the Alpine Bridge and Social

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him to explain, for example, a certain type of
and is he, that is what you call, from personal
in a newspaper which you had read, which he
did. He is also supposed to have been an
informant for one of the police departments.

Q. Did he ever advise you
or any other member of the Anti-Gambling Bureau
in your connection with [illegible]
on in the Hon Kong Club, or gambling?

A. That I recall not my.

I believe it was just before when I refer to as
the Hon Kong Club in Central Avenue.

Just casually he said to another officer and
myself words to the effect "You had better get
up there and get in there now or you will never
get in", - words to that effect.

Q. Do you know whether he was
part of the old Hongkong Club?

A. No sir, I do not.

Q. You have never been advised
of that?

A. No sir.

Q. Well, the fact of the Gambling
Reports seems to deal with statements made to you
by Lawrence and Lawrence so I do not think I need
to read you through that. [illegible]
continued, many of these statements, as matter
facts, by the witnesses. I mentioned you to
say you did present the Gambling Bureau and Gaming

Club?

A. Yes sir.

Q. Along with P.C.Lawrence?

A. Yes sir.

Q. Well we will move on to your 10th report. Once again I gather, under the heading of Wednesday, May the 25th, that you spoke to Joe McDermott about 7:10 p.m.

A. Yes sir.

Q. And once again he is complaining about Police Constable Moore questioning the customers at the Ramsay Club. Is that correct?

A. Yes sir.

Q. So he obviously had knowledge of what Moore had done in the Ramsay Club in the previous raid?

A. Yes sir.

Q. Did Wright, or McDermott for that matter, ever discuss with you Feeley and McDermott's interest in a drug firm?

A. Yes I believe they did, or at least I believe Wright did.

Q. What was that?

A. It wason March the 29th.

Q. Yes?

A. I ~~think~~ just recall that he told me they did have an interest in a drug firm.

Q. Did he name the drug firm?

A. No sir.

Q. He did not name any particular drug or patent medicine?

A. No sir.

Q. He did not say what their interest was, did he?

A. No sir.

Q. Then there was one other thing - -

THE COMMISSIONER: Or where it was?

A. No sir.

MR. MacKINNON: Q. Have you ascertained any further information on this particular matter subsequent to being advised of it by Police Constable Wright?

A. I think other officers have.

Q. But you have not?

A. No sir.

Q. So once again, Inspector Graham would have that information?

A. I would think so, sir.

Q. I read to you from one of your reports a reference to "Curley" Gardiner going crazy in jail. Now did not that mean that "Curley" Gardiner was talking too much in jail? Is not that what that had reference to?

A. I don't think I could honestly answer that.

Q. And that is why, as the expression was used, they "sprung him" so he quit talking?

Q. Did you mean any particular drug or patent medicine?

A. No sir.

Q. Do you know any other drug interest was, did you?

A. No sir.

Q. Then there is one other thing - the conditions, or where it was?

A. No sir.

MR. BLANCHARD: Q. Have you anything further concerning the general information of this particular affair concerning the being arrested or is by Julian Gonzales's attorney?

A. I which other witness know,

Q. Did you have any?

A. No sir.

Q. Do know again, Independent Petroleum Union have any interest?

A. I would think so, sir.

Q. I mean do you know one of men figuring a reference to "Corley" Davidson going among in jail. How did you that mean that "Corley" Davidson was talking too much in jail? Is not that what that had reference to?

A. I don't think I could necessarily answer that.

Q. And that is why, as the expression was used, they "squeezed him" so he will talking.

A. This once more would be somewhat conjecture on my part.

Q. Well, let me get this clear then. By the reference to him going crazy in jail, it did not actually mean he was going off his head and was insane?

A. I would not think so, no.

Q. Did you have an undercover name that you were operating under?

A. No sir.

Q. I notice there is a strange name in Sergeant Anderson's diary, which I have assumed referred to you. Do you know whether he had a special name for you?

A. No sir.

Q. Then you were discussing with Mr. Wilson the question of having used hammers in all sorts of locations. Now isn't it true that if you are held out, for, say, up to a minute, that is sufficient time for the operators of a gaming establishment to dispose of the incriminating evidence?

A. Possibly, and probably in some cases.

Q. Have you not, for example, found out that in the Vets Club they flushed the dice down the toilet? Dice were found in the septic tanks, were they not?

A. Yes sir. The information I

Q. Did anyone ever talk to you about employment opportunities in the past?

A. Well, let me get this clear then. By the reference to this getting closer job, is did an activity occur to you during the interview?

A. I would not think so, no.

Q. Did you have an understanding that you were unemployed?

A. Oh aye.

Q. I notice from the statement from Dungavel Detention's Library, which I have already referred to you, is you also appear to have a special name for yourself

A. Oh aye.

Q. When you were interrogated this, Mr. Nelson the question of having used harsh in all sorts of locations. You don't it true that if you are held out, for, say, up to a minute, that in sufficient time for the operations of a getting established to dispose of the incriminating evidence?

A. Possibly, and probably is such chance.

Q. Just joking. Did anybody come out door to the yard from the flying the door down the toilet? Drugs were found in the regular toilet, were they not?

A. Yes sir. Oh definitely I

have in that respect is that they went down another pipe.

Q. Was there a fountain in this club?

A Yes sir.

Q. Where was it?

A Located on the second floor.

Q. And that is where - - it was easier to reach that place, was it?

A. I just learned that. I don't know whether it was absolutely true or not.

THE COMMISSIONER: Mr. Brewin, have you some ground you want to cover?

MR. BREWIN: One or two questions, sir. I think the witness and yourself maybe glad that there are only one or two.

BY MR. BREWIN:

Q. Constable Scott, I take it that after you had been working undercover and getting the information from Wright, and then later you were getting information, incriminating information, directly from Lamerie and Lawrence, you became somewhat embarrassed about the situation you were in. You felt perhaps that you were

corrupting or assisting in the corrupting of other officers?

A. Concerned, I think.

Q. You were concerned about that, is that right?

A. Yes sir.

Q. Was there any reason apart from that that you knew of, why your undercover investigations should not continue?

THE COMMISSIONER: After what?

MR. BREWIN: After the date on which Wright was arrested? I mean obviously after he was arrested, but I mean at the time he was arrested, was there any reason as far as you know why your investigations should not continue?

THE COMMISSIONER: That question has been asked before, and it seems to me perfectly obvious what the answer is. Up until Wright's arrest there was no knowledge that this witness was acting undercover. Once Wright was arrested then it became disclosed that this witness was an undercover man so far as Wright was concerned, and Lawrence and Lamorie.

MR. BREWIN: I think that what you say, sir, is, if I my may say so, quite evident, and I am not directing my questions to that point. What I am directing my questions to is whether at this point, before the arrest of Wright, a

moment before Wright was arrested, whether this witness knows of any reason why this investigations should not have continued. He was continuing to get information from sources he had got in contact with.

THE COMMISSIONER: Wright was arrested on the 28th of May, was he not?

A. Yes, my lord.

Q. And you had worked up until the 27th?

A. Actively.

Q. Well, you were talking to McDermott on the 24th?

A. The 27th is correct.

Q. You worked up until the day before Wright was arrested?

A. Yes, my lord.

Q. So the investigation continued up until the moment that Wright was arrested, or the day before?

A. Yes, that is true, my lord.

MR. BREWIN: Q. And you, Constable, did not know that Wright was going to be arrested. You were not consulted about the arrest of Wright, were you?

A. There is something I thought I should have made clear this morning. I do recall that from three weeks before they arrested Wright, along with Sergeant Anderson I was called to the

office of Assistant-Commissioner Kennedy. Assistant-Commissioner Kennedy asked my feelings with regard to a criminal charge being preferred against Wright. However, at this time I was not told there would or would not be a charge or when the investigation would cease.

Q. Let me put it to you another way: whether Wright's arrest was necessary or advisable, or not, it terminated your undercover investigation obviously?

A. Yes.

Q The point I am trying to get from you was that apart from the arrest of Wright, was your investigation not daily securing more information to incriminate the gamblers and others connected with them?

A. That is true.

Q. Therefore is it a reasonable assumption that if Wright's arrest had not been necessary and had not taken place you might have been able to secure further incriminating information?

A. That is quite true.

Q. And perhaps information indicating that some of what you had been told was not true, as well as the fact that some of it was true?

A. Quite possibly, yes sir.

Q. There wasnot anything, if I may

say so, to put it this way, internally within your relations with Wright or Lamorie or Lawrence Feeley or McDermott that necessitated the investigation being stopped. You were proceeding under cover and apparently without any suspicion gaining information from these people?

A. Well, that is a very important question.

THE COMMISSIONER: Well, let me say that my personal impression, Mr. Brewin, is that Mr. Scott continued his investigation up until the very day before Wright was arrested. Once Wright was arrested it would have been rather foolish for Scott to continue to try and get information, because his identity then as a person getting information had been disclosed.

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MR. BREWIN: Quite so.

THE COMMISSIONER: Are you suggesting that Wright was arrested too soon?

MR. BREWIN: Precisely.

THE COMMISSIONER: I see.

MR. BREWIN: I am suggesting that if this witness had been permitted to continue his investigations they might have proved even more fruitful than they did.

THE COMMISSIONER: I do not like the way you put it "if he had been permitted." Why do you notput it the way I have suggested:

any rate, he put it this way. Unusually vicious gang violations with knife or bludgeon or revolver having to do with money that administrative investigation being stopped. The more prominent money lender and blackmailer attempt has complicated existing information from usual people.

A. Well, that is a very important question.

THE CHAIRMAN: Will you be so good as to continue? Superintendent, Mr. Erwin, in your Mr. Boyle continued the investigation in which the duty the Bronx Bridge was involved. Now Boyle was arrested in which case was another function for South to continue to say and not interfering because illegally then on a perfectly proper investigation and been discharged.

Mr. McCarthy: Exhibit 24.

THE CHAIRMAN: Let the stenographer read Bridge was involved the month.

Mr. McCarthy: Exhibit 24.

THE STENOGRAPHER: I see.

Mr. McCarthy: I am suggesting that it with Atkinson had been permitted a continuing investigation they might have been [illegible] and [illegible] been many cut.

THE STENOGRAPHER: I do not like the only thing that it "if he had been permitted." Why do you regard it the way I have [illegible]

If Wright's arrest had been postponed this witness could have continued his investigations. Is that the way you want to put it to him.

MR. BREWIN: I would be glad to put it that way.

Q. If Wright's arrest had not taken place and your investigation had continued, do you think you would have been able to secure additional information?

A. So far as I can imagine, yes.

Q. Let me put it another way: Your investigation had not come to any natural end or been terminated at the time of Wright's arrest?

A. That would be true.

Q. And you had no reason to believe that you were then under, or would shortly come under suspicion of the thieves, or Wright, or any of these other people they had corrupted?

A. That is quite true.

Q. Perhaps this is just a matter of opinion, Constable: There were a lot of tag ends not disposed of as a result of the various reports that you had made, as far as lines of enquiry that had not been brought to a close at that time?

A. As of May the 28th?

Q. Yes?

A. Yes. Well, you see, none of

If Wright's arrest had been prolonged, his release would have necessitated his investigation. Do think they may yet come to you in time.

MR. BARRIER: I would be glad to put it that way.

Q. If Wright's arrest had not taken place and your investigation had continued, do you think you would have been able to secure additional information?

A. So far as I can imagine, yes.

Q. Let me put it another way: Your investigation had not come to any natural end or been terminated at the time of Wright's arrest?

A. That could be true.

Q. And you had no reason to believe that you were near end, at least exactly some answer explanation of the thieves, or bribes, or any of those other people they had contacted?

A. That is quite true.

Q. Perhaps this is just a matter of opinion, Constable: There were a lot of leads made not disposed of as a result of the questions regarding that you had made, as far as lines of enquiry that had not been brought to a close at that time?

A. As of day the event

Q. That

A. Yes. Still, you see, when it

these would have been gone into during that period of confidential investigation into Wright, because it might serve to jeopardise the investigation itself as it was then.

Q. Yes. I put it to you that I understand that there was a suggestion that your investigation be terminated on May the 11th. I take it you had barely started on your investigation - - - -

THE COMMISSIONER: Wait a moment, now. Would you repeat that?

MR. BREWIN: Perhaps I had better put it more carefully.

Q. It is my understanding that at the interview of May the 11th the Attorney-General suggested to the Commissioner that any further investigation would be contrary to the oath of the Commissioner, and suggested that it be terminated at that time?

THE COMMISSIONER: No, that is not the way it was put. This is the way it was put as I have it in my notes, that at the meeting on May the 11th the Attorney-General expressed the view that Commissioner Clark might be not faithful to his oath if he permitted Wright to continue to operate as a police officer with the knowledge that he, the Commissioner, then had as to Wright's corruption. That is all that was said by the Attorney-General on that date.

[illegible] been [illegible] [illegible]

period of constitutional investigation into [illegible]

[illegible] [illegible] [illegible]

investigation [illegible] [illegible] [illegible]

5. Yes. I put it to you that I understand that there was a suggestion that your investigation be terminated on the 11th. I take it you had barely started on your investigation - - - -

Mr. CONNIBRIDGE: Just a moment, [illegible] would you [illegible] Mr. [illegible] [illegible] [illegible]

6. It is my understanding that at the interview of May the 11th the Attorney-General suggested to the Commissioner that any further investigation would be contrary to the oath of the Commissioner, and suggested that it be terminated at that [illegible]

Mr. CONNIBRIDGE: No, that is not the way it was put. This is the way it was put: as I have it in my notes, that at the meeting on May the 11th the Attorney-General suggested that when that Commissioner Clark might be not [illegible] to his oath if he continued trying to conduct to operate as a police officer with the knowledge that he, the Commissioner, [illegible] had an to [illegible] conviction. That is all that was said by the Attorney-General at that meeting.

MR. BREWIN: Then I will just put this question to the witness - - perhaps it is obvious - - that as of May the 11th your report indicated that you had barely started on your investigation. You had received money from Wright but you had not been able to follow up any of the other leads at that stage?

A. That is true. I had not been able to.

THE COMMISSIONER: There was other information you got after May the 11th?

A. Yes, my lord.

MR. BREWIN: Thank you very much.

THE COMMISSIONER: Have you some questions, Mr. Wilson?

MR. WILSON: Just one question.

EXAMINED BY MR. WILSON:

Q. You expressed your concern about your position in the concluding paragraph of your report which was dated May the 23rd, the 9th report in these words:

"At this point of the investigation "I have arrived at a time when I am "actually - - - - "

MR. BURLIN: When I will just put one question to the witness - - perhaps it is curious - - that as of May the 12th, your Counsel indicated that you had merely started on your investigation. You had received some time might but you had not been able to follow up any of the other leads at that stage?

A. That is true. I had not been able to.

THE CONDUCTOR: There was other information you got after May the 12th?

A. Yes, my lord.

MR. BURLIN: Thank you very much.

THE CONDUCTOR: Have you some questions, Mr. Hilland?

MR. HILLAND: Just one question.

EXAMINED BY MR. HILLAND

Q. In response to Mr. Burlin about your position in the conducting committee of your report, which was dated May the 23rd, you put forward in these words:

"At this point of the investigation

"I have arrived at a time when I am

convinced - - - - "

THE COMMISSIONER: What page is that?

MR.WILSON: This is on page 28, Mr. Commissioner - -

"At this point of the investigation "I have arrived at a time when I "am actually counselling Lawrence "and Lamerie in their methods of "taking bribes. I feel that I am "lending myself to further "incrimination of these two men, to "say nothing of P.C.Wright, and for "this reason I feel that I should, "with all due respect, be advised "as to whether or not criminal charges "are to be preferred".

These are your words in that report?

A. Yes sir.

Q. You expressed your concern about your position as of May 23rd, 1960?

A. Yes sir.

MR. WILSON: That is all, thank you.

THE COMMISSIONER: That is all, thank you Mr. Scott.

---The witness withdrew.

THE COMMISSIONER: The public hearings will resume on Thursday.

---Whereupon the hearing was adjourned at 5:00 p.m. to resume on Thursday, April 5, 1962 at 10:00 a.m.

The Commissioner: Have you an early

Mr. WILSON: This is on page 24, Mr.

Commissioner --

"At this point of the investigation

"I have arrived at a time when I

"am strongly considering inviting

"the Deputy to seek medical a

"taking drines. I feel that I am

"leading myself to further

"misunderstandings of these two men, to

"my nothing of P.C.Wright, and for

"this reason I feel that - Deputy,

"with all due respect, be advised

"as to whether or not criminal charges

"are to be preferred".

There are four words in this report:

A. Yes sir.

Q. Yes sir.

Your position as of May 23rd, 1980:

A. Yes sir.

Mr. WILSON: That is all, thank you.

THE COMMISSIONER: That is all, thank you

Mr. Deputy.

---The witness withdrew.

THE COMMISSIONER: The public hearing

will resume on Monday.

---Whereupon the hearing was adjourned at 3:40 p.m.

to resume on Monday, April 7, 1980 at 9:30 a.m.

IN THE SUPREME COURT OF ONTARIO

BETWEEN:

KENNETH H. BROWN and JAMES T. GOW, Trustees, on behalf of themselves and all other Shareholders of Beleggings-Societeit, N.V., and the said BELEGGINGS-SOCIETEIT, N.V., as represented by the said Kenneth H. Brown and James T. Gow,

Plaintiffs,

- and -

BELEGGINGS-SOCIETEIT, N.V., as represented by W.H.J. de Boer and J.C.W.M. Huijsmans,

Defendants.

TRANSCRIPT OF ARGUMENT ON APPEAL

Date

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